Featuring Alberta and Saskatchewan Securities

SECOND SECTION

THE FINANCIAL POST

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Capital is Need of West to Meet Growing Demands

Tremendous Productive Capacity of Saskatchewan and Alberta Creates Purchasing Power of Record Volume

"LOCAL" INDUSTRIES MAKING HEADWAY

Western Investors Beginning to Fully Appreciate Value of Supporting Home Enterprises, But Outside Investment Needed to Realize Upon Tremendous Natural Resources of Two Provinces

By DON LANG

One of the largest and most profitable crops in the history of the country, will be harvested in Alberta and Saskatchewan this year.

Coming, as it does, on top of two other good crops, the amount of new wealth put into circulation reaches a figure of tremendous proportions. In the last three years, it is estimated that close to a billion and a half dollars have been received by the farmers of Alberta and Saskatchewan from their crops. In addition to this, there is a considerable income from manufacturing, lumbering, trade, etc, which increases the revenue to a figure far above that derived solely from agriculture.

This prosperity is further emphasized by the fact that the debts and obligations incurred during the lean years of the post-war period have been cleaned up and that the revenue of the past two years has gone into improvements, home building, expansion of industrial facilities, etc., following upon the greater demands of the population for the things that had been denied to them in the off-years.

Furthermore when it is considered that this unusually high income is received by only about 1,500,000 people, one has a proper appreciation of the very high per capita income. It is doubtful if any other area, with so limited a population, can show as high an income as in Alberta and Saskatchewan.

Developed Rapidly

This remarkable effort is further emphasized by the comparatively short time in which these two provinces have come to be recognized as leading wealth producers. Their present development may be said to have started with their formation back in 1905. At that time settlement was extremely limited; farming was carried on on a limited scale in territory adjacent to the main line of the Canadian Pacific. Manufacturing was practically unknown; communication was of the pioneer type; good roads few and far between; and community life was of the most meagre kind.

Yet in the short space of 25 years, Alberta and Saskatchewan have made tremendous strides. The bald headed prairies and wooded sections have been turned into fertile farms; thousands of miles of good roads have been built; railway lines cut across the provinces in many directions which enable the farmers to get their crops to market without delay; cities have sprung up; great manufactures have been established to meet the needs of the people; and community life on a par with that of the older established areas in the East.

And both provinces have reason to be proud of their record. They have gone far but there is much that can be done in the further exploitation of natural resources which the sound investment of capital can bring about.

Opportunities Are Plenty

Take the opportunities that Alberta offers for sane investment. Aside from the 60,000,000 acres of agricultural lands, the province has in its coal resources, oil and natural gas, an asset whose extent is hardly yet realized. Eighty-seven per cent. of Canada's coal reserves, are located within the province and of recent years there has been a marked development in this great industry.

Of a still more recent date is the development in the oil fields, which promises to develop into one of Alberta's greatest assets. Many millions of dollars have been spent on the search for oil. Natural gas has been found in abundance and it is the belief of many reputable authorities that the finding of large quantities of oil is only a matter of time. Already the Turner Valley field contains one of the richest wells in the world, while there are other important wells in the Wainwright field. This development is as yet in its early infancy, although more than 200.000 barrels of oil are produced annually.

There are four large natural gas fields now operating. The pressure is so great in a number of wells that the gas can be piped for a great many miles without the assistance of mechanical means. Calgary, Edmonton, Medicine Hat and Lethbridge—the four principal cities in the province—as well as a large number of towns and villages are adequately supplied with natural gas for domestic, lighting and industrial purposes. In time it is reasonable to assume that a vast network of gas pipes will cover the province to supply this cheap and popular fuel.

Then there are other minerals which will undoubtedly receive the close attention of capital before many years have passed. These include salt, bentonite, ceramic clay and building stone. In addition the province has some 15,000 square miles of tar sands suitable for paving or oil extraction.

Wealth in Resources

Both the power and timber resources have attracted a great deal of attention. It is estimated that Alberta has 1,750,000 h.p. of water power, of which only 34,000 h.p. has been developed to date. One or two big enterprises are under way at present which will add considerably to the developed water power. There are a number of sites that can be harnessed but at present are a little too remote for economic development.

While Alberta and the other Prairie Provinces have depended to some extent upon British Columbia for their timber requirements, lumbering has made substantial progress. In the northern section of Alberta there are some 60,000 square miles of merchantable timber, including 270,000,000 cords of pulpwood. Also there are timber reserves in the foothills and mountains which assure an adequate supply for some years to come.

Room for Development

Although Saskatchewan is not as well blessed as Alberta in the way of natural resources, there is ample opportunity for investment. Those companies already established and which secure a proportion or all of their raw materials from within the province, have done well and show that a reasonable return can be expected on capital properly employed.

Agriculture, of course, is the dominant industry in the province, and will continue so for many years. In those industries which depend upon farm products as their principal raw material, the province offers opportunities unexcelled by any other area in the Dominion or on the continent for that matter. Witness the great meat packing and creamery businesses that have been built up in the past few years.

Despite its agricultural bent, the southern part of the province is favorable to the production of non-metallic minerals in considerable volume, while the north is now coming to be recognized as a great potential metallic area. At present lignite coal is the principal product of the province's mining industry. Brick clays and refractory clays are being used to a greater and greater extent, the latter being utilized in the manufacture of fire brick, stoneware, pottery and sewer pipe. Last year the mineral production of the province aggregated in value $1,336,000.

Lumbering and fisheries are two other industries capable of greater expansion. The latter is carried on in a small way at present owing to certain government restrictions. In time, however, it should develop into an important source of revenue.

At the end of 1926 there were 9 mills operating in Saskatchewan, in which the capital employed amounted to $533,000 and gross production for the year $477,000. Production consists almost entirely of spruce.

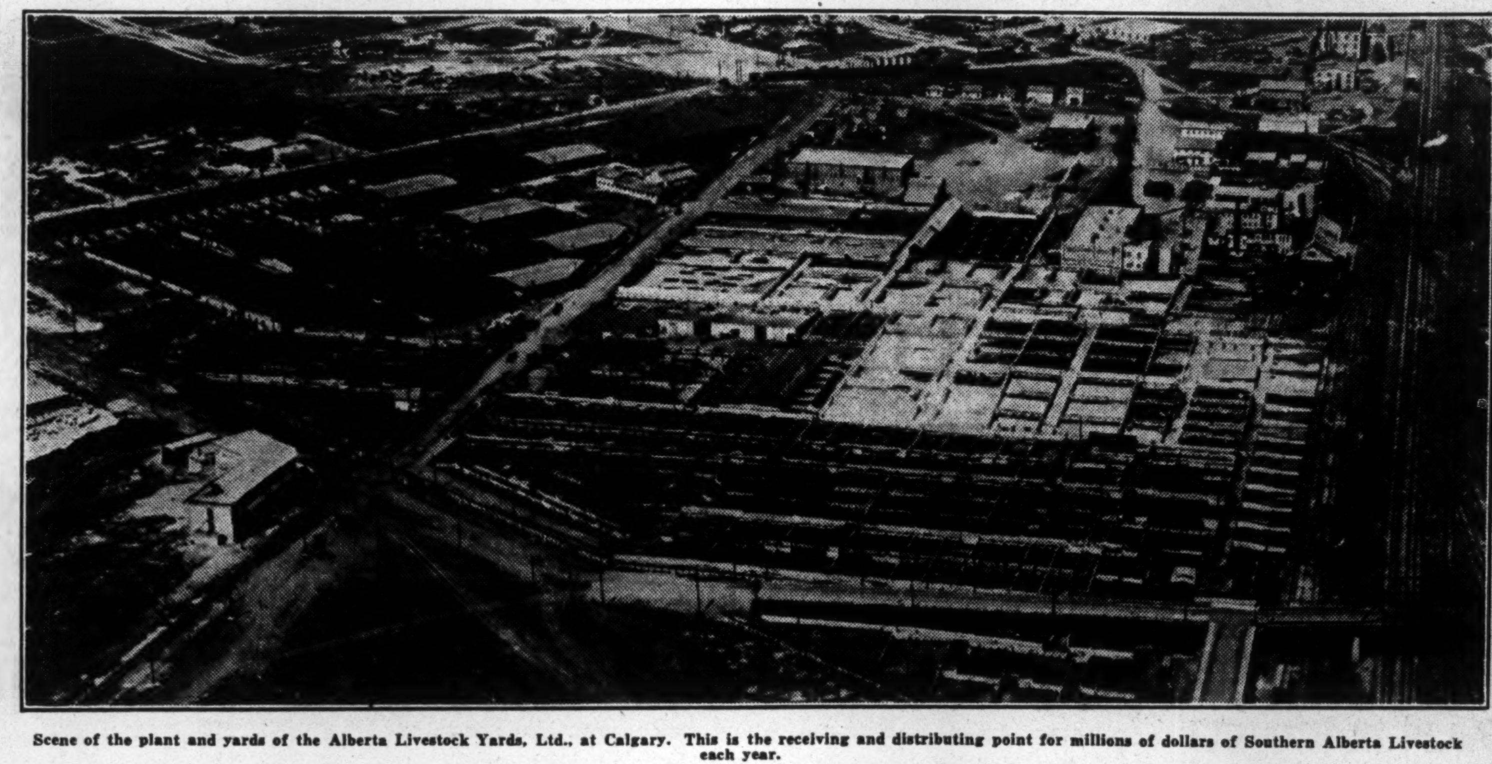
Power Industry Attractive

The power industry in Saskatchewan has attracted a great deal of attention within the past three or four years. While the province has no water power to speak of, the development of fuel plants has been on a larger scale than in the other province. A considerable amount of outside capital has been attracted to this field, with encouraging results.

Too much stress cannot be laid upon the remarkable per capita purchasing power of the citizens of Saskatchewan and Alberta. Their needs are many. Figures on manufactures, etc., give very little indication of the tremendous consumption of merchandise and products in the two provinces. At present a very large part of the domestic needs are imported into the provinces.

Eastern manufacturers have established large central distributing warehouses in numerous cities and towns throughout Alberta and Saskatchewan to meet requirements. Manufacturers have to meet the outside competition. The volume of business transacted by these "foreign" agencies reaches into the millions.

Thousands of Livestock Pass Through Yards Daily



Scene of the plant and yards of the Alberta Livestock Yards, Ltd., at Calgary. This is the receiving and distributing point for millions of dollars of Southern Alberta Livestock each year.

Western Investments Reviewed This Week

In this special supplement, The Financial Post presents for the first time a review of the investment possibilities of enterprises in Alberta and Saskatchewan. Investors, in both Eastern and Western Canada, do not fully appreciate the strides that have been made by those two provinces in developing an industrial life of their own. That there are possibilities of profitable investment in Western enterprises, as in the older established areas, is apparent to anyone who has made even a casual investigation.

With the exception of a few large corporations, which have been publicly financed by Eastern bankers, there is comparatively little known of the publicly-owned companies operating in the West. The record of those companies with more than a provincial range of activities is well and favorably known. But such is not the case with smaller and equally as profitable concerns. In this issue, therefore, The Financial Post has endeavored to present a complete and accurate survey of the investment situation in Alberta and Saskatchewan. It is realized that some of the companies may have been overlooked, but, in the main, this survey covers all the publicly-owned companies in which there is an active investment interest.

Alberta Pacific Grain Ranks Among Leaders

Splendid Record of Company Capped By Outstanding Season in 1927-28 — Large Eastern Investment Interest

Alberta Pacific Grain Company is one of the largest private grain companies operating in the West. It has a long record of successful operations and has been able to hold its own and even record progress despite the development of the Wheat Pool.

The stock of this company has been listed on the Toronto Stock Exchange for some time and enjoys a strong eastern following. Consequently the operations of Alberta Pacific Grain are followed more closely by eastern investors than the majority of other publicly financed companies in western Canada.

There have been several corporate changes in this company since it was first started in 1902. Alberta Pacific Grain Company was incorporated in 1912 and in 1926 another change took place when the Alberta Pacific Grain Company was formed and public financing undertaken.

Well Represented

Sixteen years ago the company's business then required only 113 country elevators and a relatively small amount of interior terminal elevator space. Its properties now include over 300 country elevators, nearly 200 country dwelling houses, in excess of 200 coal sheds and an interior terminal elevator at Calgary and a tidewater terminal elevator of Vancouver with a capacity of 2,000,000 bushels, formerly the property of the Vancouver Terminal Grain Company.

Its country elevators and coal sheds are well located at strategic points throughout Saskatchewan and Alberta, on sites adjacent to railways and held under railway lease usual in such cases. Total storage capacity of its elevators is about 12,000,000 bushels.

Included in the assets of the present company are substantial investments in the shares of several terminal elevator companies at Port Arthur and Fort William. These facilities provide for the storage of grain forwarded through its country elevators, for export from Great Lakes ports.

Earned $7 a Share

The report on operations of the company for the past grain crop year, showed earnings of $7 on the common stock, an appreciable advance over the preceding year.

The amount of grain handled through country elevators and terminal plants at Calgary and Vancouver was considerably larger than in 1926-27, so that revenue from that course was up.

The greatest change in the company's fiscal position took place in the movement of grain through its Vancouver terminal elevator. During the past crop year the port of Vancouver handled slightly over 80,000,000 bushels. Of this amount it is said that the Alberta Pacific Grain Company handled 50,000,000 bushels.

Conditions Were Favorable

As is well known, the quality of grain produced on the prairies last year was below normal. Only about one per cent. of the total crop graded No. 1. The average was somewhat below No. 3. Accordingly the grain moving through Vancouver needed

(Continued on page 17)

Mid-West Production Record Unequalled

AGRICULTURE

	1923	1924	1925	1926	1927
Field Crops	$412,168,000	$397,070,000	$558,348,000	$520,162,000	$582,678,000
Farm Animals	23,496,000	30,836,000	44,347,000	42,969,000	38,507,500
Wool	406,000	435,000	475,000	598,000	703,000
Dairy Products	36,034,000	30,150,000	34,612,000	40,693,000	40,277,150
Vegetables, etc.	4,321,000	3,439,000	4,360,000	4,220,000	4,100,000
Poultry, etc.	14,934,000	14,486,000	15,416,000	19,454,000	18,346,000
Furs	67,000	159,000	273,000	2,140,000	3,966,000
Seed	161,000	245,000	175,000	229,000	80,000
Honey	......	31,000	30,000	74,550	112,000
Total	$591,587,000	$476,851,000	$658,036,000	$630,539,550	$688,769,650

INDUSTRIAL

	1921	1922	1923	1924	1925
Alberta	$60,064,778	$53,119,486	$54,337,801	$65,245,361	$75,113,517
Saskatchewan	40,681,740	38,807,532	34,337,811	36,313,931	40,093,517

Industry Makes Progress in Alberta and Saskatchewan

Alberta's Leading Industries

	Plants No.	Capital $	Value $
Flour and Grist Mills	65	6,929,787	16,213,735
Meat Packing	6	5,711,691	14,538,881
Butter and Cheese	103	2,952,167	8,188,104
Petroleum	4	5,431,170	5,458,412
Breweries	6	6,430,855	5,478,295
Power	76	14,946,921	3,533,728
Bread and Bakery	116	1,424,502	2,523,276
Publishing	53	2,700,027	2,259,146
Biscuits, etc.	13	605,008	1,067,752
Sawmills	43	1,302,774	996,593

Saskatchewan's Leading Industries

	Plants No.	Capital $	Value $
Flour and Grist Mills	61	4.210,715	12,468,343
Butter and Cheese	78	3,475,233	7,373,498
Power	134	8,761,597	2,862,368
Publishing	116	2,577,790	2,851,539
Bread and Bakery	96	1,210,027	1,785,181
Planing Mills	14	1,278,194	1,126,875
Breweries	3	926,033	779,273
Dyeing, Cleaning, etc.	14	479,615	497,194
Sawmills	12	693,538	371,189
Aerated Waters	16	553,592	359,290

Leading Industrial Centres

ALBERTA

	Plants	Output
Calgary	138	$31,186,017
Edmonton	136	21,279,845
Medicine Hat	24	9,086,778
Lethbridge	27	2,970,030
Redcliffe	6	581,571
Wetaskewin	9	446,140

SASKATCHEWAN

	Plants	Output
Regina	56	$11,403,990
Moose Jaw	25	9,945,890
Saskatoon	47	7,184,543
Prince Albert	20	2,700,289
Yorkton	10	678,334
N. Battleford	10	497,786

Eastern Industrialists Find Profitable Market for Products in West

Hundreds of Branch Plants Located Throughout Provinces

LIMIT LOCAL VENTURE

Splendid Field Exists For Outside Capital In Exploiting Rich Resources

One reason for the lack of many large industrial enterprises in Saskatchewan and Alberta, in which there is a public investment interest, is to be seen in the large number of branch plants of Eastern concerns located throughout the two provinces.

There are really two classes of branch plants in the West, those of the Eastern manufacturers and those of United States companies. In the latter field the development has been quite widespread for certain products, such as agricultural implements. Companies like International Harvester have probably a hundred or more main and secondary branches in the West.

In a few instances manufacturing operations are carried on by "outside" companies. In this class one might place the Swift Canadian Company, Canada Biscuit Company, Lake of the Woods Milling Company, or Ogilvie Flour Mills.

Outsiders Represented

Some idea of the extent of interests of Eastern and American companies in the Western field, is gained from the following list of companies represented in Alberta and Saskatchewan, either by manufacturing plants or branches:

Swift Canadian Company.
British American Oil.
Canadian Oil Company.
McColl-Frontenac.
Imperial Oil.
Canadian Oil.
Canada Biscuit.
Canada Packers.
Canadian General Electric.
Canadian Westinghouse.
Canada Malting Company.
Dominion Bridge.
International Milling.
Western Canada Flour.
Ogilvie Flour Mills.
Famous Players.
Provincial Paper.
General Steel Wares.
International Utilities.
Massey-Harris.
International Harvester.
Ford Motor Company.
The chartered banks and the railways.

Many Sales Agencies

In addition to the foregoing, hundreds of Eastern firms maintained their own sales agencies in all the important cities of the West and in many of the larger towns and villages. This applies particularly to manufacturers of nationally advertised goods.

Only one reason can be given for the widespread interest of these companies in the Western field—a large and rich market. That they have been in the field for many years has naturally tended to discourage the establishments of local industries producing products of a similar nature.

Those companies already in the field, however, have found their operations to be profitable. Although the population of these provinces is less than 1,500,000, the income per capita creates a purchasing power equal to that of an area with a population many times the size of Alberta-Saskatchewan.

Further, the point should be considered that the Westerners are liberal spenders. There is less of a savings spirit than in the older settled districts and the standard of living is exceptionally high for a new territory.

The manner in which these "outside" companies have covered the two provinces with their branch plants and agencies, has tended to discourage local enterprise. On the other hand, those concerns which have started up in operation have, on the whole, done very well.

Develop Resources

To date most of the investment in Western industry has been made for the development of one or the other of the country's natural resources. This is, apparently, the big field for capital investment for the next decade or so. There are illimitable opportunities in both provinces for development work along the lines of exploiting the natural resources.

Although domestic markets are, in the main, limited for many of the products which could be produced, there is a wide market outside of the provinces which would provide sufficient business to keep a number of plants fully engaged the year around.

To date, the provincial governments have worked along the line of interesting outside capital in developing these resources. They have been successful to a degree, but much remains to be done. Outside of the coal fields and water power resources, comparatively little has been done to utilizing the raw materials which the province has for manufacturing purposes.

There are many opportunities for the sane investment of capital and as time goes on and the provinces develop economically to a greater degree, there will be no lack of capital to carry on the work of exploiting the resources of either Saskatchewan or Alberta.

Calgary Brewing Co. Has Unique Record

One of the most interesting instances of unbroken management of a publicly owned company, is that of the Calgary Brewing & Malting Co. This company was incorporated in 1892 when financing was carried out in London, England. In the prospectus issued at that time appeared the names of A. E. Cross, as president; W. E. Cochrane, vice-president; Francis A. MacNaghten and A. H. Eckford as directors. Thirty-six years later the annual report carries the same four names with the exception that Francis A. MacNaghten has now become Sir Francis A. MacNaghten, Bart.

Saskatchewan Encourages Flow of Tourist Traffic

Establishment of a tourist information service in Saskatchewan under government auspices is planned by the Provincial Department of Railways, labor and industries. Preliminary work has already been conducted by officials of the department with a view to starting the service early next year.

West Finds Acute Problem in Power as Needs Expand

Governments Are Interested in Developing Electric Power Supply in Alberta and Saskatchewan

MAKE NEW SURVEY OF POSSIBLE SOURCES

Municipal Plants Throughout Province of Saskatchewan Are Rapidly Being Taken Over by Several Private Groups Who Are After Plants

To date investment in the power industry of Saskatchewan and Alberta has been limited owing to the comparatively few water power sites available, expense of transmission, and limited markets for output. Alberta is more fortunate in this respect than the sister province but even there hydro development has been largely combined to an area within a radius of 60 miles from Calgary. The northern sections of both Alberta and Saskatchewtn are known to have water power sites but at the moment are unsuitable for economic development except for the mining areas.

Coal and Diesel engines are the two principal means of producing electrical energy in Saskatchewan and Alberta. In a majority of these smaller towns, the Diesel engine has proved very satisfactory, in not only being economical in operations but also limiting the initial capital outlays. Fuel plants are used in the larger cities. Calgary is the only large centre in Alberta and Saskatchewan having a regular and plentiful supply of hydro power.

Much Activity Now

At present there are two important developments under way in Alberta and Saskatchewan which will have an important bearing upon the power situation in the future. First, is the development west of Calgary by the Calgary Power Company. The company is now at work on the Ghost River site which will provide an adequate reserve for power which will take care of normal expansion for many years. There is also the possibility that at a future date the Spray Lakes site will be developed. Then again it may be possible that transmission lines will be constructed from a central distributing point, say Calgary, to supply the towns and villages within reasonable distance of the power plant.

Increasing Alberta Supplies

Power surveys of Alberta show that there is available, an ordinary minimum flow of 390,000 horsepower at 80 per cent. of efficiency. Turbine installation at the beginning of this year totalled 34,107 horsepower. This figure shows little change since 1912 when 32,835 horsepower were developed. With the program now under way by the Calgary Power Company, however, this total will be considerably increased.

The above figures, of course, only represent power developed by hydro. They do not include the large number of small and large plants which generate electricity by fuel. Information is not available as to the extent of these operations, but they are undoubtedly as large, if not larger, in horsepower capacity than the hydro-electric plants.

Substantial Sums Invested

Saskatchewan has no water power of any importance. As previously mentioned the present power requirements are supplied by the operation of coal and Diesel engine plants. Recent surveys show that there has been invested in power plants and distribution systems throughout the province approximately $9,058,076 and against this investment there is a debenture indebtedness as at December 31, 1926, of $6,224,707.

The summary further indicates that the total capacity of the power plant in the province is 43,757 k.w. and that there are 712 miles of distribution pole lines. The total energy generated by these plants during the year 1926 was 9,553,844 k.w. hours sold to 440,471 consumers.

The cost of producing this energy for the year 1926, including fixed charges on the system was $2,194,201 and the revenue was $2,801,560.

The Saskatchewan government has under consideration the bringing together of the principal power producing plants in the province with a view to greater economy of operations and a more widespread distribution of power. At the beginning of this year a commission was appointed to report upon the economic feasibility of generating power at central plants and water power sites in the province, and the distribution of the same throughout the province.

The original government power scheme worked out by the Saskatchewan power commission provided for the government taking over the municipal plant in Saskatoon, Moose Jaw and Regina, linking them up with each other and with local distributing systems in adjacent towns and villages, with the ultimate extension of a net work of government power lines throughout the province and with the establishment of additional power producing plants where they might be required.

There are several complications which prevent the full realization of that plan, chief of these is that the various municipalities have recently been getting out of the power business and turning over their systems to private companies.

Compete For Territory

Three large companies have been actively competing with each other for territory and have acquired a large number of franchises. The Montreal Engineering Company is strong in the district surrounding Regina and plans to develop a large part of its power from central plants located adjacent to the coal field at Estevan. Curiously enough the town of Estevan itself, where the plant is being established, has rejected the offer of the Montreal Engineering Company and has linked up with the Dominion Electric Power Company. This latter company has been in negotiation with Saskatoon with a view to making some such arrangement as has now been concluded by the city with the provincial government. The Dominion Electric Company is strongly entrenched in the territory west of Regina.

The third company in the provincial power field is the Mid West Utility Company, which is strongest in the northern and eastern part of the province, and which acquired important franchises when it recently took over the Northern Light and Power Company.

As factors in the power situation in the province must be added the cities of Regina and Moose Jaw, each with its own municipal plants, and, now with the inauguration of the new scheme, the province of Saskatchewan, instead of the city of Saskatoon. The private companies are thus still excluded from the three principal cities of the province, whereby far the greater part of the electricity used in Saskatchewan is now consumed. By acquiring the plant at Saskatoon the government takes a large start in the power business, equivalent to the franchises of a dozen smaller places, but it is still uncertain how it is going to be able to develop its scheme with any great speed.

Moose Jaw does not like the government proposal, largely because it would mean supplying additional power in the future from Regina rather than enlarging the local plants. If, however, the government secured Regina, the pressure in Moose Jaw to fall in line would be considerable. In the meantime there is an active move in the city of Moose Jaw toward selling out the city plant to one of the five companies.

By the conclusion of the agreement with Saskatoon, the provincial government has scored an important point in the power fight in Saskatchewan, overcoming to some extent, the handicap of its late arrival in the field. From now on there is likely to be intensified competition for territory. The one definite point settled in the power situation is the rapid disappearance of municipal ownership of the various power plants of the province.

Saskatchewan Has Heavy Investment in Vehicles

Some idea of the amount of money which has been invested by Saskatchewan citizens in automobiles may be gathered from an interesting compilation recently made by the provincial department of highways.

In 1927 there were operated in Saskatchewan 92,640 private cars, 923 livery cars and 11,346 trucks, making a total of 104,909 vehicles. For the purpose of estimating approximately the value of these vehicles an average of $600 has been placed on the smaller cars. As there are 77,643 cars of this type in the province, an average value of $600 each would make a total of $46,585,000. On the remaining 14,997 larger cars a valuation of $1,000 each has been placed, making a total of $14,997,000. The 923 livery cars have a total value of $692,250, or an average of $750 each, and 11,346 trucks at $800 each amounts to $9,072,800, making a grand total for the 104,909 cars of $71,351,050.

This is an enormous investment in this one industry for a population of approximately 850,000. It means that the entire population of the province could be placed on wheels if the average of eight people could be carried in each car.

Western Investors Help Finance Own Industries

Securities of Many Local Firms Meet With Strong Reception — More Capital Needed to Meet Expansion Programmes

Investment interest in Alberta and Saskatchewan has taken on a new importance in the last three or four years. Hitherto land buying was the principal form of investment in the West. But now the westerners are interested in buying securities for they have seen stock values at unprecedented levels and big profits made in a very short time.

Aside from stock market speculation there has developed in Alberta and Saskatchewan a keen interest in the financing of local enterprises.

The immediate cause for this may be said to be due to the increasingly large sums of money looking for new investment channels. It is true the local investment bankers retail the large issue originated in the eastern provinces and in the United States. At the same time the western investment interest was growing, there was a more active demand for bonds and stocks by eastern investors. Accordingly, competition among the bankers became very keen for new issues and commissions became smaller. This situation did not prove awkward until the eastern underwriters started to cut commissions to such a point that it was not very profitable for the western bankers to handle new issues.

Confronted with this situation, the western houses turned their attention to local financing. On investigation it was found that there were a large number of local enterprises that had been in successful operation for many years and were in need of further financing in order to take care of expanding business.

At the start, one or two small issues of local companies were placed upon the market. The reception was all that could be desired. The western people have faith in their own enterprises and it was only necessary to call their attention to the need of financing to receive their support.

The initial success of the underwriters induced them to take on more and larger enterprises. Now the small industrial in Alberta and Saskatchewan does not need to go east when in need of money. It can secure all the funds necessary in its own province and on terms that compare favorably with those of the east.

Thus in cutting down commissions the eastern bankers made it necessary for the western dealers to originate their own business and in so doing brought about the development of a new field of investment for Alberta and Saskatchewan investors.

THE PROVINCE OF ALBERTA

WITH ITS WEALTH OF NATURAL RESOURCES

offers unlimited opportunities for industrial development

REALIZING the vast potential wealth which these resources represent, financial interests after thorough surveys, are confidently making investments and undertaking projects which will contribute greatly to the industrial growth of the province.

Investors and manufacturers alike are rapidly taking advantage of the fact that Alberta's resources include:

More than fourteen per cent. of the world's coal reserves and eighty-seven per cent. of the coal reserves of Canada.

More than sixty-six per cent. of the annual petroleum production of the entire Dominion.

More than sixty-three per cent. of the natural gas produced annually in the Dominion, providing an unlimited supply of cheap fuel for domestic and industrial purposes.

More than fifteen thousand square miles underlaid by bituminous sands, stated by geologists to comprise one of the richest potential oil fields in the world.

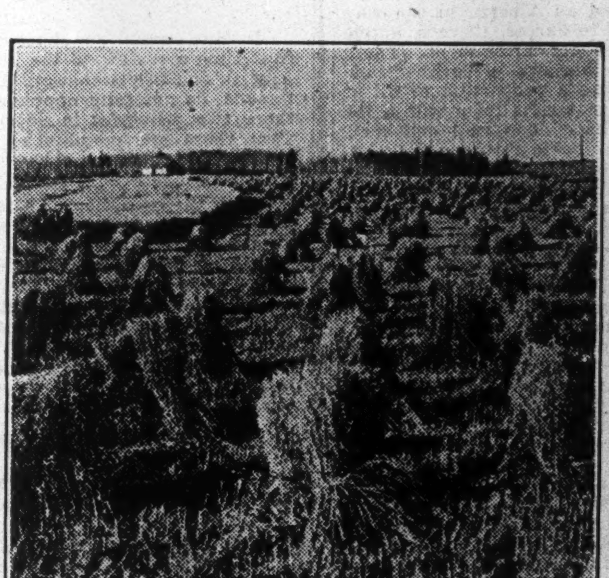
More than sixty thousand square miles of merchantable timber, providing an abundance of building materials.

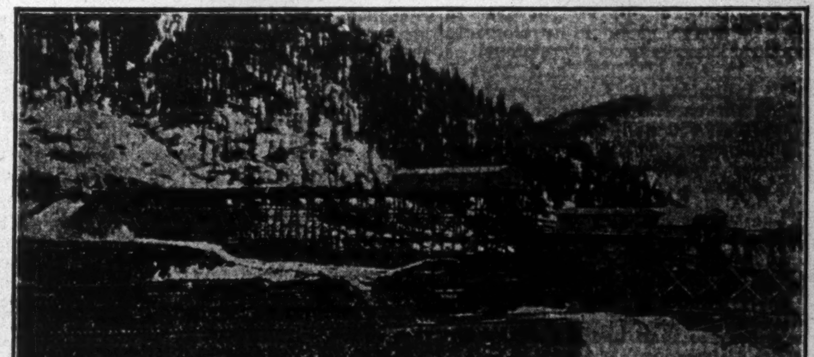
More than two thousand square miles of lakes, many of which yield fish in commercial quantities.

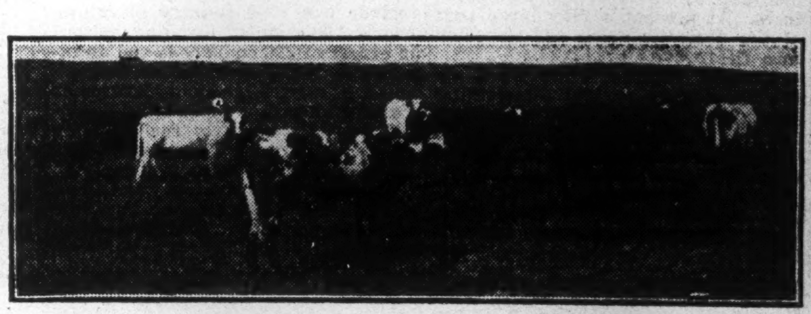
More than one million h.p. of water power utilized and available for hydro-electric development.

More than twenty-nine million dollars worth of mineral production annually. In addition to coal, this represents extensive deposits of salt, ceramic clays, building stone, gypsum, talc, ochre and bentonite, and in most cases development is only in its infancy.

A steadily growing urban and rural population of some 630,000 providing an ever-widening market for manufactured products in many lines.







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Confidence in Alberta's Oil Future Attracts Much Capital From Outside of Province

Work to Date Has Encouraged Operators in the Belief That Rich Field Will be Developed in Near Future

OPERATIONS TOTAL 75 AT PRESENT

Over $2,500,000 Being Spent Annually Drilling for Oil and Natural Gas—Industry Proves Important Economic Force—Large American and British Supply Houses Establish Branches to Meet Demands

By D. A. LANE,
Editor, Western Oil Examiner

With by far the most promising oil field within the British Empire and the greatest unexplored oil territory in the world, development in Alberta is proceeding on a scale which assures an adequate exploitation of the province's potentially richest resource.

It is conservatively estimated that $2,500,000 will have been spent in 1928 drilling for oil and natural gas. Work has been under way in 75 wells in the first eight months of this year and it is reasonable to assume that another ten or more will be started before the year end. This expenditure will cover drilling equipment and actual drilling operations.

Big Economic Factor

The oil industry is rapidly becoming a big economic factor in the industrial life of the province. Complete drilling equipment of a type suitable to local conditions, is being manufactured in Calgary. The more important oil well supply houses of the United States have branches there and British manufacturers have been investigating the Western Canadian market.

Four really big companies are operating in Alberta this season. These are: Imperial Oil, Canadian Western Natural Gas, Light, Heat and Power Co., E. L. Doherty interests of New York, represented by their subsidiary, The Alberta Fuel and Gas Co., and the Hudson's Bay-Marland Oil Co.

The Imperial operates chiefly through two of its subsidiaries, Royalite and Dalhousie, and is drilling for the Devenish, Home and Associated, and has contracts to drill for the Empress and Baltic. The Royalite is the only company operating on a large scale so far. It has ten rigs at the time of writing. Of these the outfit at No. 22 is drilling a well for experimenting with storing surplus gas. The Imperial has six wells under way for other companies besides the Royalite.

Foreign Capital Interested

Extensive foreign capital is interested in a number of other companies. These include: Frontier, which has a drilling program in Wildcat Hills, financed by Denver capital; Von Weymarn Brothers, of Oslo, Norway, drilling in the Clearwater area; International, of New York, now putting down its second well near Lesser Slave Lake; Marquis of Anglesey, who has a deep test well under way at DeWinton; Eagle Butte, headed by C. E. Roth, Kansas operator, testing Cypress Hills; London-Ribstone, in which Close Brothers, London bankers, have a large interest, and which has drilled its first well in the Ribstone Field; Calmont, of which Lord Askwith is president, and which has obtained spectacular results in south-eastern part of Turner Valley.

The first eight months of 1928 marked a beginning of an era of big development, brought about by rapidly increasing production and a growing interest on the part of investors in all parts of the Dominion. The August output of Turner Valley Field, 30 miles south-west of Calgary, was 47,174 barrels, which consisted of 7,917 barrels of light crude, and 39,257 barrels of crude naphtha (casinghead gasoline).

The crude naphtha sells for $3.95 per barrel at the well, while light crude is worth $3 per barrel. This makes the total August production for the field worth $178,816, which would give a yearly production value of over $2,145,000 at the present rate.

One of the greatest surprises this year was sprung when MacLeod No. 4 encountered the biggest gas flow struck to date in Turner Valley, at the shallowest depth in the limestone from which any well in the field has given commercial production. The initial flow of gas amounted to thirty-four and a half million (34,500,000) cubic feet per day by measurement and the well gave promise of being the biggest wet gasser in the field. Royalite No. 4, its nearest rival in the matter of gas production, has a flow of nineteen and a half million (19,500,000) cubic feet per day.

Testing New Fields

Tests are nearing completion in several new fields. Signal Hill No. 2 is near estimated production in Moose Mountain. The Anglesey Well, at DeWinton is in a similar position. The Ranchman's Well at Aldersyde has penetrated several gas horizons. The Eagle-Butte in Cypress Hills has struck promising gas flows. The Morely Field is drawing considerable attention as a result of Wabash reaching limestone at the shallow depth of 1,483 feet.

Wainwright Field was put on the map this summer by the bringing in of Wainwell No. 1 well, which has an initial output of close to 300 barrels per day. It was shut in for some time pending completion of the company's refinery, at Wainwright. London-Ribstone Oils Limited in drilling in the Ribstone-Blackfoot Field struck an oil sand early in July which gave promise of commercial production.

One of the best features in western oil development is the increasing number of shallow wells being put down by development to determine geological conditions which are obscured by considerable over-burden. Companies which are doing this include: Canadian Western Gas Company, Commonwealth Petroleum, Alberta Pacific Consolidated, Prudential and Ribstone.

Last spring British Dominion No. 1 made a depth record in Canada by reaching the 6,600-foot level.

Since January 1st, 1928, nine commercial producers have been brought in. These are, Royalite No. 6, 8, 10 and 11, MacLeod No. 4, Foothills No. 2, Spooner No. 1, Home No. 2 and Wainwell No. 1. Three others which were formerly producers have been completed to lower and greater production level, including Okalta No. 2, MacLeod No. 1 and Dalhousie No. 1. A new McDougal-Segur was being deepened for production from the Dakotas.

Last year operators had high hopes of big crude production from the Dakotas, but these comparatively shallow wells have fallen off considerably in the past year and wet gassers are the mainstay of the field. Just now operators are hoping to get crude oil some distance down the development. Spooner No. 1 and Calmont are very encouraging. This theory of crude oil around the flanks of the structure has been supported in publications under Dominion Government Survey.

With the exception of Dalhousie 5 producers from the Dakotas, which were brought in last year, are either being deepened or will be deepened. The same applies to Home No. 1, which produced from the Fernie shales. The advisability of this policy is illustrated by MacLeod No. 1, which had an output of ten to fifteen barrels a day from the Dakotas and produced close to one hundred and fifty barrels per day from the limestone.

May Burn Gas

Recently Honorable Charles Stewart, Minister of the Interior, stated that there would be no interference with wells from which gas is being wasted by burning after the oil content has been extracted. At the same time, Mr. Stewart suggested that the waste gas might be piped to Winnipeg and other prairie points and there is a possibility that he may have had information of plans which have been under way for some time, to carry out this scheme, or on the other hand, he may have been giving a timely warning to the oil industry to seek a market for the waste gas and thus prevent any difficulties that might arise from a conservation policy, either on the part of any of his successors or by the government of Alberta after it gets control of the natural resources of the province.

Subsidiary companies of International Utilities Corporation, of which the Canadian Western Natural Gas, Light, Heat and Power Company is the chief, are very active. Their program includes core drilling in the southern section of the province and at Viking, drilling in the proven gas field at Brooks, testing the Waterfield, as well as drilling test wells in Central Saskatchewan to establish, if possible, the gas reserve for Saskatoon, Regina, and Moose Jaw.

How the oil industry has gone ahead in recent years is strikingly illustrated by figures issued by the Dominion Bureau of Statistics. Oil production in Canada has increased from 160,733 barrels in 1924 to 479,503 barrels in 1927. (These figures being subject to final revision), and this has been almost entirely due to the increase from Alberta Wells.

Oil production in Alberta amounted to 321,154 barrels last year, worth a total of $1,189,007, according to the preliminary report of the Mining, Metallurgical and Chemical Branch of the Dominion Bureau of Statistics.

Following are details on the oil and gas industry of Canada, contained in the report:

In point of value the petroleum output in Canada during 1927 established a new high mark for the industry. Production consisted of crude petroleum from New Brunswick, Ontario and the Wainwright Field in Alberta, in addition to which there was a large extraction of crude naphtha from the wells in the Turner Valley field, Alberta.

Drilling operations were continued during the year in the Turner Valley, Wainwright, Skiff, Ribstone and the various other fields in Alberta; the Sage Creek field, British Columbia, and in Manitoba and Saskatchewan.

Ontario producers received an average price of $2.07 per barrel; those in Alberta, $3.70, and in New Brunswick $2.29.

PRODUCTION OF CRUDE PETROLEUM—1926-1927

	1926 Barrels	1926 Value	1927 Barrels	1927 Value
New Brunswick	10,544	$ 29,940	18,244	$ 41,748
Ontario	137,850	379,221	140,105	289,390
Alberta	216,050	902,504	321,154	1,189,007
Canada	364,444	$1,311,665	479,593	$1,520,145

Natural gas production was up 6.8 per cent. in 1927 as compared with the previous year's output. The valuation was also very much higher; in fact, the 1927 value established a record for the industry in Canada. The advance in production was due mainly to Alberta's increased output. Average prices per thousand cubic feet were as follows: New Brunswick, 20 cents; Ontario, 57.8 cents, and Alberta, 27.8 cents.

The Canadian importations consist of a mixed gas (natural and artificial) brought in by pipelines from the United States for cooking, heating and illuminating, to augment the Ontario supply of natural gas.

OUTPUT AND IMPORTS OF NATURAL GAS, 1926-1927

	1926 M. cu. ft.	1926 Value	1927 M. cu. ft.	1927 Value
New Brunswick	648,316	$128,300	630,755	$124,637
Ontario	7,764,996	4,409,593	6,695,117	4,027,479
Manitoba	200	60	200	60
Alberta	10,794,697	3,019,221	12,933,801	3,589,485
Total	19,208,209	7,557,174	20,529,873	7,741,661

Many Alberta Oil Wells Now Producing

The following are the latest production figures per day of the chief producers in Alberta:

Royalite No. 10	13 Bbls.
Royalite No. 11	12 "
Canada Southern	15 "
Foothills No. 2	18 "
N. McDougall-S. Nos. 1 & 2	20 "
Home No. 1	21 "
Edmonton-Wainwright	40 "
British Petroleums No. 3B	40 "
Dalhousie No. 5	45 "
Spooner No. 1	50 "
Okalta No. 2	57 "
Illinois-Alberta No. 1	80 "
Royalite No. 7	82 "
Vulcan No. 1	100 "
Royalite No. 6	182 "
Dalhousie No. 1	300 "
Royalite No. 8	261 "
Wainwells No. 1	Shut in
Home No. 2	?
McLeod No. 2	?
McLeod No. 1	Frozen

Advance—No. 5 well drilling at 2450 ft. on August 24, 1928.

Alberta Pacific Consolidated Oils, Ltd.

British Dominion—Add well No. 2 drilling around 500 ft.

British Petroleums, Ltd.

Calmont Oils, Ltd.—Depth. 5860 ft.

Commonwealth Petroleum, Ltd.

Dalhousie Oil Co., Ltd.—Dalhousie No. 6 drilled to a depth of 5163 ft. August 24, 1928.

Devenish Petroleum, Limited—Incorporated: July, 1926; **Capitalization:** Common stock, 1,500,000 shares; no par; authorized, 1,500,000; issued, 720,000 shares. Preferred stock, nil; **Properties:** Skiff field: 75,000 acres; **Wells:** No. 1 in L.S.D. 5, 27-5-14-w4; depth 3160 feet; producer. No. 2 well in L.S.D. 11, 11-5-14-w4; drilling at 1784 ft. Aug. 24, 1928. Contract with Imperial provides for Imperial to drill six wells in the Skiff field. In return for this development the Imperial is to get a controlling interest in the Devenish; **Remarks:** Subsidiaries of Devenish are: King's Lake Oil Co., Ltd.; Legend Oil Co., Ltd.; Verdigris Coulee Oil Co.

Empress Petroleums, Ltd. — Incorporated: May, 1928; **Capitalization:** Common stock 1,500,000 shares, no par; 600,000 shares issued. Preferred stock, nil; **Properties:** Acreage situated in Turner Valley, Milk River, Devenish Structure, Jumping Pound, Rickert's Structure, Moose Mountain, Chin Coulee, Wainwright, and Ribstone-Blackfoot fields; totalling approximately 8,000 acres; **Wells:** First drilling to take place on the Devenish Structure under an arrangement with the Imperial-Devenish interests.

Freehold Oil Corporation, Limited — Incorporated: 1928; **Capitalization:** 1,000,000 shares, no par value; **Wells:** No. 1 in SW¼ section 3, township 21, range 3, west of 5th meridian; drilling at 250 ft. on Aug. 24, 1928; **Equipment Used:** Standard.

Foothills Oil and Gas Co., Ltd.—No. 2 (Dolomite No. 1) producing from depth of 2842 feet.

Great West—No. 1 fishing at 5370 Aug. 24, 1928.

High River Oilfields, Limited—Capitalization: $1,000,000, par value $1; **Properties:** 1807 acres adjacent to town of High River, Alberta; **Address:** 10 Alexander Corner, Calgary, Alberta; **Remarks:** Program includes one well to be drilled this year.

Highwood Pete.

Home Oil Co., Limited—Incorporated: 1925; **Capitalization:** $1,000,000; par value, $1; issued, 800 000 shares; **Properties:** Turner Valley field: 200 acres. Sinclair structure; 900 acres; **Wells:** No. 1 in L.S.D. 10, 20-19-2-w5; formerly producing, now being deepened; No. 1-A (Advance No. 1), L.S.D. 14, 20-19-2-w5; depth 3142; shut down. No. 2 (Advance No. 2) L.S.D. 14, 20-19-2-W5; depth 5147 feet; producing. No. 3 L.S.D. 14, 20-19-2-w5; depth 2315 feet; casing. No. 3 drilling at 2990 ft. Aug. 24, 1928. Home Oil Distributors Ltd., in which Home Oil Co. owns a block of stock, has distributing stations throughout western British Columbia. Under a contract with Home Oil Co., Ltd., the Imperial will continue to drill out the Home leases.

Home Oil Distributors, Ltd.—Incorporated: 1927. A subsidiary of Home Oil Co., Ltd. Has stations in western British Columbia.

Imperial Oil, Ltd.

Illinois-Alberta—No. 2 drilling at 2700 ft. August 24, 1928.

McLeod—No. 3 drilling at 4500 ft. and No. 4 drilling in limestone on August 24, 1928.

Lethalta Oils, Limited—Incorporated: February, 1928; **Capitalization:** 1,000,000 shs.; no par; issued, 500,000; balance in treasury; **Properties:** Own 2000 acres in north half of township 8, range 18, west 4th meridian. This acreage is free of royalty, except what royalty the Dominion government may impose with the sole exception of our first well now being drilled, which carries a one-tenth royalty; **Wells:** Drilling location on N. W. ¼, L.S.D. 5, 33-8-18-w4 at 150 ft. on Aug. 24, 1928; **Equipment:** Heavy Rotary.

Mayland Oil Co., Limited — Incorporated: Jan. 28, 1928; **Capitalization:** Common stock, $300,000; $1 par value; authorized, $300,000; issued, $222,503. Preferred stock, nil; **Properties:** Turner Valley field: L.S. D.'s 2, 7 and 10, 17-19-2-w5; **Wells:** No. 1 in L.S.D. 10,17-19-2-w5; drilling at 2163 ft. on Aug. 24, 1928; **Equipment Used:** Standard; **Remarks:** Drilling.

McDougall-Segur.

Models Oils, Ltd.—No. 1 well drilling in Turner Valley at 250 ft., Aug. 24, 1928.

New McDougall Segur — No. 1 producing around 12 bbls. per day; No. 2, former producer, being deepened; drilling at 3420 ft. and No. 3 drilling at 3280 ft., on Aug. 24, 1928.

Okalta—No. 1 drilling at 4820 ft. and No. 3 drilling at 500 ft. on Aug. 24, 1928, No. 2 producing.

Norcon Oil Co., Ltd.—Capital $1,000,000, par value, $1; Properties: 1,800 acres, Morley Reserve; 1,200 acres in Death Valley, Sinclair structure. Rigged up to drill one well near Morley and another in Death Valley.

Range Oil & Gas Co., Limited—Capitalization: $500,000, par value $1; **Properties:** 18,000 acres on Rogers-Imperial structure; **Wells:** No. 1 in L.S.D. 9, section 29, township 1, range 11, west 4th; depth 2787 feet. No. 2 in L.S.D. 6, 21-1-11-w4; drilling. No. 1 well is the Rogers-Imperial gasser, brought in 1924 with a daily production of 50,000,000 cubic feet of gas. The well has been capped once. A market is now assured in Montana, as the company has obtained a permit to export its gas.

Ranchmen's Gas and Oil Co., Ltd.—No. 1 well drilling at 2840 ft. on Aug. 24, 1928.

Royalite—Details of Royalite wells as of August 24, 1928, were as follows: Royalite No. 1, 14, 6-20-W5, 3980, shut in; Royalite No. 2, 11, 6-20-2-W5, 3175, shut in; Royalite No. 3, 15, 6-20-2-W5, 2860, shut down; Royalite No. 4, 12, 7-20-2-W5, 3740, producing 498 bbls. day; Royalite No. 5, 13, 7-20-2-W5, 3527, abandoned; Royalite No. 6, 16, 31-10-2-W5, 4531, producing 182 bbls. day; Royalite No. 7, 3, 13-20-3-W5, 4208, producing 82 bbls. day; Royalite No. 8, 15, 12-20-3-W5, 3753, producing 261 bbls. per day; Royalite No. 9, 6, 13-20-3-W5, 5174, drilling; Royalite No. 10, N.E. ¼, 12-20-3-W5, 2332, producing 13 bbls. day; Royalite No. 11, 10-12-20-3-W5, 2472, running tubing; Royalite No. 12, 3, 13-20-3-W5, 1815, drilling; Royalite No. 13, 6, 13-20-3-W5, 2608, cemented; Royalite No. 14, 4, 7-20-2-W5, 3220, cemented; Royalite No. 15, 1, 12-20-3-W5, 2071, drilling; Royalite No. 16, 2, 12-20-3-W5, 3039, drilling; Royalite No. 17, 13, 6-20-2-W5, 2474, drilling; Royalite No. 18, 15, 12-20-3-W5, 2452, drilling; Royalite No. 19, 5, 6-20-2-W5, 1805, drilling; Royalite No. 22, 13-20-3-W5, 280, drilling. Royalite No. 11 averaged 12 bbls. per day during July.

Regal Oil & Refining Co., Limited—Incorporated: 1927; **Capitalization:** Common stock, 100,000 shares, no par; practically all issued; **Properties:** Refinery at Calgary, capacity of first unit, operating since August 8, 1927, is 500 bbls. per day. Additional units are planned. Fractionating process. Specialize in airplane gasoline. Stations and pumps in Calgary, and bulk stations at Bashaw, Carbon, Vulcan. Amalgamated with Regal Distributors, Ltd. Fifty per cent. of company owned by independent producers in Turner Valley. Use exclusively oil produced by Spooner, Vulcan and McDougall-Segur wells in Turner Valley. Alberta Pipeline Co., Ltd., has been formed to carry oil from Turner Valley to the Regal refinery.

Ribstone Oils, Ltd.—No. 1 well in Ribstone field abandoned at 2065 ft. No 2 drilling.

Seneca—No 1 well drilling at 4660 ft. on Aug. 24, 1928.

Sentinel—No. 1 well down over 4,600 ft. on Aug. 24, 1928.

Signall Hill—No. 2 well under-reaming at 1975 ft. on Aug. 24, 1928.

Stockmen Oils, Ltd.

Spooner—No. 1 well which has been producing is being completed in limestone at 5080 ft. on Aug. 24, 1928. No. 2, drilling same date at 3140 ft.

Turner Valley—Freehold drilling on Company's acreage.

United—No. 1 producing gas in Foremost field. Output being sold to Canadian Western Natural Gas, Light, Heat & Power Co., Ltd. No. 2 drilling in Turner Valley at 2850 ft. Aug. 24, 1928.

Vulcan—No. 1 producing at depth of 5004 ft. No 2 drilled to 4855 ft. to be deepened with diamond rig.

Wabash—1,000 acres of leases on Sinclair, Turner Valley and Morley reserve structures. No. 1 well near Morley under-reaming at 1540 ft. on Aug. 24, 1928.

Wainwell Oils, Ltd.—Properties: 580 acres in Wainwright field; **Wells:** No. 1 in L.S. D. 9, section 36, township 44, range 7, west 4th meridian; depth 2065 feet. Daily production, 250 bbls., but shut in Aug. 24, 1928, awaiting completion of company's refinery. No. 1 was formerly Interior well and was completed by Wainwell Oils, Ltd., which secured control of Interior Oils, Ltd. No. 2 drilling around 800 ft. on above date.

West Insurance Firms Are Expanding Steadily

Companies Have Long and Favorable Records. During Past Few Years Active Campaigns Carried Out to Increase Business

Alberta and Saskatchewan are the homes of a number of insurance companies which have a long and steady record of expansion.

The seven principal companies namely, Commercial, Saskatchewan, Equity, Capital, Security, Western Empire and Western Life, have been in business an average of 17 years apiece.

Although they do not compare in size to the large eastern companies, they have, during the last few years, made rapid strides and at the end of 1927, these seven companies had in force an aggregate business of nearly $70,000,000.

Of this amount the Commercial Life accounted for $9,044,000; Saskatchewan, $10,212,000; Equity, $6,778,000; Capital, $14,474,000; Security, $10,537,000; Western Empire, $9,276,000 and Western Life, $8,557,000.

Comparative Position

On the basis of premium income expansion since 1920 has been more rapid with the Commercial Life Insurance Company than with the other companies. In 1920 the premium income of this company totalled $22,586 and for 1927, $2,790,055. The record of the other companies for 1927, with 1920 figures in brackets, follow: Saskatchewan, $303,551 ($128,904); Equity, $170,575 ($116,753); Capital, $424,869 ($215,769); Security, $251,457 ($103,097); Western Empire, $251,331 ($138,759); and Western Life, $213,730 ($120,736).

During the past year the Capital Life Insurance Company led in the amount of insurance issued for the year, the total being $3,910,038. The Commercial Life Assurance was next in the lead with a total of $3,857,547, followed by Security with $2,744,757; Saskatchewan, $2,316,901; Western Life, $1,865,208; Western Empire, $1,787,511; and Equity, $1,059,403.

Good Future Ahead

There is undoubtedly a good future ahead of the Saskatchewan and Alberta insurance companies. While their field is comparatively small at the moment, population will increase and there will be a bigger field for the sale of life insurance in its various forms. Some of the above listed companies have been active in selling their insurance outside of the province and a few in the United States. In the main, however, the major proportion of the business is written in either Alberta or Saskatchewan.

Log of Active Western Oil Wells

Following is a list of active oil drilling enterprises in Alberta. This list, of course, does not convey any idea of the enormous amount of activity that is taking place in the search for oil in the Prairies. It does, however, carry those companies that are actually drilling, or producing or actively at work on their property. There are at least one hundred or more locations marked out in Saskatchewan and Alberta but as they are not actively operating, their name has not been included in the log.

It is rather difficult to obtain any accurate idea of the amount of money invested in Alberta and Saskatchewan oil companies. However, when it is realized that it costs between approximately $75,000 to drill a well, some appreciation of the importance of this potential oil field can be had by a study of the following table:

ALBERTA

Company—	Depth	Remarks
Beaver Dome—		
Madison	200	Await. crew
Brooks—		
Canadian Western	900	Drilling
Chin Coulee—		
Lethalta	1000	Drilling
Clearwater—		
Von Wepmarn	200	Drilling
Coutts—Sweetgrass—Erickson Coulee—		
Rogers-Imperial No. 1	2797	Gas
Rogers-Imperial No. 2	....	Drilling
Cypress Hills—		
Eagle Butte	1744	Await. casing
De Winton—		
Anglesey Lakeview No. 1	4200	Drilling
Aldersyle—		
Ranchmen's	2840	Cementing
Highwood—		
Highwood No. 1	3624	Awaiting rig
Lesser Slave Lake—		
International Oils No. 2	2000	Drilling
Moose Mountain—		
Signal Hill No. 2	1975	Casing
Morley Reserve—		
Melbourne	2000	Drilling
Wabash	1540	Drilling
Pincher Creek—		
Alberta F. & G. No. 2	100	Drilling
Ribstone—		
Meridian (Advance No. 8)	1510	Casing
London-Ribstone	2135	Await. casing
Skiff—		
Devenish Pete No. 2	2179	Drilling
Suffield—		
Ont.-Alberta Dev. Co.	590	Reaming
Warner—		
Gas Prod. No. 1	4100	Drilling
Turner Valley—		
Advance No. 5	2485	Drilling
Associated	68	Drilling
British Dominion No. 2	400	Drilling
Calmont	5650	Drilling
Dalhousie No. 1— (South Alb. No. 1)	4565	Producing
Dalhousie No. 5	4900	Producing
Dalhousie No. 6	5252	Drilling
East Crest Oil Co.	1350	Drilling
Freehold	530	Drilling
Foothills No. 1	5359	Cemented
" No. 2 (Dolomite)	2842	Producing
Great West No. 1	5370	Fishing
Home No. 1	4650	Drilling
" No. 1A (Adv. 1)	3142	Fishing
" No. 2 (Adv. 2)	3035	Drilling
Home No. 3	2990	Drilling
Illinois-Alberta No. 1	3858	Producing
Illinois-Alberta No. 2	2828	Drilling
McLeod No. 1	3915	Producing
McLeod No. 2	4363	Producing
McLeod No. 3	4510	Fishing
McLeod No. 4	3730	Drilling
Mayland	2195	Cemented
Model	250	Drilling
New McD.-Segur No. 1	2495	Producing
New McD.-Segur No. 2	3600	Drilling
New McD.-Segur No. 3	3280	Drilling
Okalta No. 1	4920	Drilling
" No. 2 (Indiana-Alb.)	3000	Producing
Okalta No. 3	500	Cemented
Regent	2380	Drilling
Royalite No. 1	3980	Shut down
Royalite No. 2	3175	Shut down
Royalite No. 3	2860	Shut down
Royalite No. 4	3740	Producing
Royalite No. 5	3527	Abandoned
Royalite No. 6	4531	Producing
Royalite No. 7	4208	Producing
Royalite No. 8	3753	Producing
Royalite No. 9	5188	Pipe stuck
Royalite No. 10	2332	Producing
Royalite No. 11	2472	Run. tubing
Royalite No. 12	1915	Drilling
Royalite No. 13	2682	Drilling
Royalite No. 14	3220	Cemented
Royalite No. 15	2197	Drilling
Royalite No. 16	3160	Drilling
Royalite No. 17	2578	Drilling
Royalite No. 18	1650	Drilling
Royalite No. 19	1966	Drilling
Royalite No. 22	735	Drilling
Seneca	4660	Drilling
Sentinel	4600	Drilling
Spooner Oils No. 1	5155	Testing
Spooner Oils No. 2	3250	Drilling
Stockmen	4550	Gas
" No. 2 (Henderson 1)	2200	Drilling
United No. 2	3015	Drilling
Vulcan No. 1	5004	Producing
Vulcan No. 2	4885	Await. rig
Wainwright-Fabyan—		
British Petroleum No. 1	2038	Gas
British Petroleum No. 2	1970	Producing
British Petroleum No. 3	2113	Gas, oil
British Petroleum No. 3b	2260	Producing
British Petroleum No. 4	2240	Producing
British Petroleum No. 5	....	Location
British-Wain. No. 1	2222	Cemented
Edmonton-Wain. No. 1	2275	Producing
Fabyan Pet.	1850	Drilling
Imperial No. 1	2730	Gas
Imperial No. 2	2015	Oil, gas
Maple Leaf No. 1	1778	Gas
Palmer Petroleums	2370	Gas
Sasko-Wain. O. & G.	700	Drilling
Western Consol. No. 1	1400	Shut down
Western Consol. No. 2	2333	Shut down
Wainwell (Interior)	2072	Shut in
Wainwell No. 2	700	Drilling

Alta. Wood Preserving Sets Pace for Growth

Demand for Creosoted Timber by Governments, Railways and Municipalities Causes Company to Extend Facilities to Handle Business

Rapid expansion has been made by the Alberta Wood Preserving Company since its inception five years ago. The original plant was a small affair but was soon enlarged in order to cope with the rapidly increasing volume of business.

The company was making splendid progress until the beginning of this year when a bad fire wiped out the major portion of the plant. The loss was fully covered by insurance and arrangements were made imediately to replace the burnt section with larger and more up-to-date equipment. At the present time the capacity of the plant is double what it was a year ago and several times that of the first plant.

This rapid expansion of plant and business has necessarily entailed the expenditure of large sums of money to keep pace with the new conditions. Hence a large share of earnings after the payment of fixed changes and dividend on preferred stock, have been ploughed back into the company. However, plans are under consideration now for changing the capital structure which will allow more consideration being given to the common stockholders.

To Alter Capital

To date no agreement has been reached as to the manner in which the capital structure will be altered so as to give the company more money to take care of expansion. It has been proposed that all the preferred stock be called and the capital put on a common stock no par basis. Others want to issue the balance of the preferred stock, amounting to $135,000. It is expected that this matter will be decided very shortly. In the meantime, earning power of the company is increasing and it is quite possible that a dividend of about $1 a share will be paid on the common stock.

As its name implies, the company is engaged in the preservation of wood, such as: railway ties, bridge timbers, culvert timbers, foundation timber, telephone, telegraph and transmission lines, paving blocks, water flumes, etc. The preservatives used are creosote and zinc chloride. These are the two standard preservatives recommended by the American Wood Preservers' Association and the American Railway Engineering Association.

These preservatives are forced into the wood under pressure by the latest improved processes, except in the case of butt treatment of cedar poles where this is accomplished by what is known as the open tank method.

Double Life of Timber

By creosoting the timber its life is virtually doubled. This process is necessarily expensive and while there is no actual saving in the quantity of timber used, there is a considerable saving in replacement. It is obvious that this is an important consideration in railway ties, bridge timbers, etc., where replacement is an expensive and laborious undertaking.

Since the company's inception a large volume of business has been contracted for with the Canadian Pacific Railway, Canadian National Railways, the Highway and Bridge Departments and Telephone Departments of the three Prairie Provinces and the municipalities of these provinces.

Considerable business has also been contracted for from other sources. Further improvement in the company's potential markets is seen in the transit freight rate established a short time ago on timber products exported from Alberta and British Columbia to the central and eastern States. The company is strategically located to handle the business from this source.

At present the authorized capital of the Alberta Wood Preserving Company consists of $300,000, 7 per cent. cumulative redeemable preference shares; 20,000 shares of common stock, no par value; and 1,000 shares of common stock Class B, $1 par value. The issued capital amounts to $165,000 of preference stock and 12,000 shares of class A common stock. None of the B stock is outstanding.

Earnings Show Increment

The earning record of the company has been consistently good. Before writing off depreciation, alterations and improvements to the leased plant, rental of plant and land and interest on borrowed money, earnings for the fiscal year ended July 31, 1924, were $22,857. In the following year, they had advanced to $26,956 and in 1925-26 again increased to $45,773. There was another substantial increase for last year.

Model Oil Derrick

Millions of dollars are being spent annually in Alberta in the search for oil.

CALGARY POWER EXPANSION PLAN OF WIDE EXTENT

Company Is Now Serving 80 Communities In Alberta

DEVELOP NEW POWER

New Financing Carried Out This Fall to Take Care of Many Schemes

Calgary Power Company is the principal producer of hydro-electric power in either Alberta or Saskatchewan and probably ranks as the third largest in the western provinces.

After 1926 the company confined its activities largely to the Calgary territory. Of late years, though, it has steadily expanded its transmission lines to the municipalities and towns of Southern Alberta. These expenditures involved a sum in excess of $1,000,000. The company now supplies power to many of the larger cities such as Lethbridge in addition to supplying other smaller municipalities such as Red Deer, High River Nanton, Strathmore, Gleichen and Bassano. Most of these municipalities purchase power in block from the company and in others the company retails power.

The major power development which the Calgary Power has undertaken is located at the Ghost-Radnor site. It will be completed next year at an estimated cost of $2,500,000. With this plant completed, the company's three Bow River plants will have an installed capacity of some 68,000 horsepower. The actual capacity of the third plant now being erected has not yet been decided upon. The company's two plants on the Bow now develop 19,000 and 13,000 horsepower, respectively.

Acquire Steam Plants

In addition to its hydro power plants the company now controls several small steam plants, some of which have been acquired from various municipalities when the company commenced its program of expansion some two years ago. The steam plants in Alberta, of course, can be operated at much lower cost than in Eastern Canada, due to the fact that they are located close to the Alberta coal fields.

Originally the Calgary Power Company intended to develop the Spray Lake site but negotiations with the government for the site did not mature and it became necessary to obtain power elsewhere. Hence, the company obtained the right to develop the Ghost River site.

Of Record Size

This project is the largest of its kind ever handled in Alberta. The dams across the Bow will form a lake of some 2,400 acres in extent. Approximately 36,000 horsepower will be developed initially at this site. The pondage created will provide a reserve of over 4,750,000 kilowatt hours, which represents the present power requirements of Calgary for twenty-one days.

Early this year the company purchased the Calgary Water Power Company and about mid-year the United Electric and Engineering Company.

In addition to the distribution of power to Calgary, Calgary Power Company supplies electricity wholesale to Lethbridge and Red Deer and to the town of Ponoka; to the Canada Cement Company's plant at Exshaw, and the Vulcan Light and Power Company.

Valuable Franchises

Through franchise agreement, power is supplied by direct retail distribution in the towns of Magrath, Taber, Diamond City, Granum, Carmangay, Claresholm, Staveley, Nanton, High River, Okotoks, Didsbury, Olds, Innisfail, Leduc, Daysland, Hardisty, Morinville, St. Albert, Fort Saskatchewan and Wainwright and over twenty villages in central and Southern Alberta.

The company will by the end of the current year be distributing power and electric light to more than eighty communities in Alberta, with a combined population of approximately 150,000.

This fall new financing was undertaken by the company to reimburse it for expenditures made in connection with the development of the Ghost-Radnor power site and for corporate purposes generally. The outstanding capital now consists of $2,687,373, 5 per cent. first mortgage bonds, $2,500,000 6 per cent. cumulative redeemable preferred stock and 2,500,000 common stock.

Profits Gain Steadily

Operating results for 1927, show a gross profit from all sources of $496,583. This compares with $450,962 in the preceding year and $409,793 in 1925. After the payment of operating expenses, bond interest, depreciation and setting aside reserve for income tax, there remained a net profit for 1927 of $129,594, as compared with $125,427 and $113,336 in 1926 and 1925, respectively.

A better appreciation of the steady growth of the company may be gained by an examination of power production. During 1925, 63,191,125 kilowatt hours of electricity were generated. In the following year this had advanced to 70,475,650 and for 1927 to 78,638,435. For the first nine months of 1928, electricity generated totalled 70,454,443. It is estimated that for the full year 1928 the kilowatt hour production will be approximately 105,000,000.

ALBERTA PACIFIC GRAIN NOW RANKS AMONG LEADERS

(Continued from page 15)

considerable handling in the way of drying, etc.

At the rate of three cents a bushel for drying, cleaning, etc., the income derived from this source over and above the legal charge for handling the grain in storage, represents a considerable addition to the company's revenue.

Capitalization of the Alberta Pacific Grain Company now consists of $3,500,000 first mortgage bonds; $3,000,000, cumulative preferred stock; 80,000 no par class "A" common shares and 20,000 no par class "B" common shares.

The last balance sheet of the company, that for the year ended June 30, 1928, shows assets of $12,758,038. Current assets total $4,917,149, against current liabilities of $2,980,097, or a working capital of about two to one. Fixed assets, less depreciation, amount to $6,577,728; investments $1,160,386; and deferred charges $102,774. The company's reserve at the end of the last fiscal year stood at $1,023,406.

BROCK WESTERN EARNING RECORD IS OUTSTANDING

Expect Company Will Earn $13 on Common This Year

The Brock Company (Western) Ltd., is the successor to the western business of W. R. Brock Company. The predecessor company was engaged in the wholesale drygoods business for a great many years, having branches in all parts of the Dominion. Brock (Western) was organized a few months ago to acquire the assets, goodwill and business of the Calgary branch of the W. R. Brock Company.

This branch has had eighteen years of successful business, having a history of successful earnings throughout the period.

Operated Separately

Moreover, for many years the Calgary office has been operated separately from the head office in Toronto; its purchases have been independent as well as its financing. Consequently the change of name will make no difference in the operation of the company.

During the eighteen years of operation the business has grown steadily until at the present time the annual turnover is well in excess of $1,000,000. It has 1,500 active customers on its books.

With the change in ownership extensive financing was carried out. The authorized capital consists of $200,000 first cumulative preferred, $100,000 second cumulative preferred and 3,000 shares of no par value common stock. Of this $150,000 of the first preferred was offered to the public by Calgary bankers; all of the second preferred was taken over at par by Lt.-Col. H. Brock and Lt.-Col. R. A. Brock; and 2,500 shares of common are outstanding, of which 750 were given as a bonus to purchasers of the first preferred.

Splendid Earnings

The earning record of the old company is being well maintained by the new organization. Average net earnings for the past twelve years after allowing for depreciation, income taxes, and all expenses, amounted to over $40,000 per annum. The earnings for the past three years on the same basis, averaged $42,052 a year. For the current year it is estimated that earnings will be even higher and that between $13 and $14 will be available for the common. This compares with about $10 on the common for the last year.

According to the trust deed no dividend can be paid on the common if the net working capital is reduced below $250,000 and unless the net earnings of the company for the year in which the dividend is proposed to be paid shall have exceeded $30,000.

May Pay Higher Dividend

These stipulations having been fulfilled, the company is paying a dividend of $2 on the common stock. It is likely that the company will increase this rate in view of the expansion of net earnings and the improvement in its liquid position.

There is little investment interest in the first preferred and common stock outside of the province. The common is closely held and is quoted on the Calgary Stock Exchange at around $29 a share. There is little coming out at this figure.

Direct Private Wire to All Markets

Out of Town Service

We specialize in giving particular attention to banks and investors desiring a complete brokerage service.

Your correspondence invited.

G. F. Tull & Ardern, Ltd.
Stock, Bond, Grain and Financial Brokers.
Lancaster Building
M1220 CALGARY M1440

INVEST IN MINES—NOT MARKETS

The idea that much money can be made by buying mining shares with a view to their resale a few days later at an advance, is a fallacy, a delusion, and a snare. The man who reaps the real benefits of his mining investments is the one who **thoroughly investigates before investing,** and then carries his stock into the production stage.

We have sponsored four mines in the past twelve months. Two of these are now on production and it is reasonably certain the other two will be on production before December 1st, and in the dividend class early in the new year.

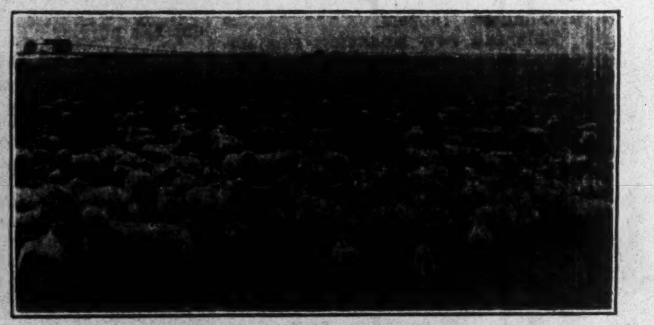
We unhesitatingly recommend —
Golconda Lead Mines
Jack Waite Consolidated
Grandview Mines
Pacific Mining Company

Full information on any of the above supplied on request.

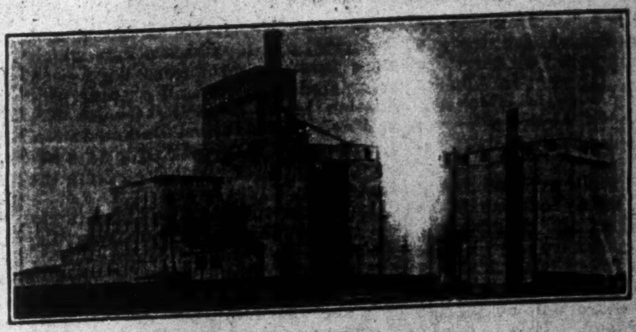
INVEST IN MINES CALGARY A.W.HAWKEY & COMPANY Ltd. CANADA NOT MARKETS

SASKATCHEWAN

The PROVINCE of INDUSTRIAL OPPORTUNITY



The Basis of the Wool Industry.



Related to the Basic Industry.

Saskatchewan Has Great Wealth of NATURAL RESOURCES In Addition to Her Greatest Heritage a FERTILE SOIL

COAL

SASKATCHEWAN ranks third in Canada in the extent of its Coal Reserves.

These are estimated to contain between 50 and 60 billion tons, the bulk being located in an area of which Estevan is the recognized centre.

Annual production approximates 500,000 tons — the merest fraction of the potential production.

Said Henry Walker, British Inspector of Mines, last year:—

> "Successful research dealing with the lignites of the Estevan District of Saskatchewan is the most valuable research that could possibly be conducted in Canada at the present time."

The Saskatchewan Government, first in cooperation with the Federal and Manitoba Governments, and later alone, carried out experiments in the briquetting of Saskatchewan lignite. This research work, turned over to and continued by private enterprise, has been brought to a successful conclusion.

Commercial production of briquettes from Saskatchewan lignite, of a heating value equal to anthracite, is a development of the near future.

This, it is agreed will

REVOLUTIONIZE THE COAL SITUATION IN SASKATCHEWAN

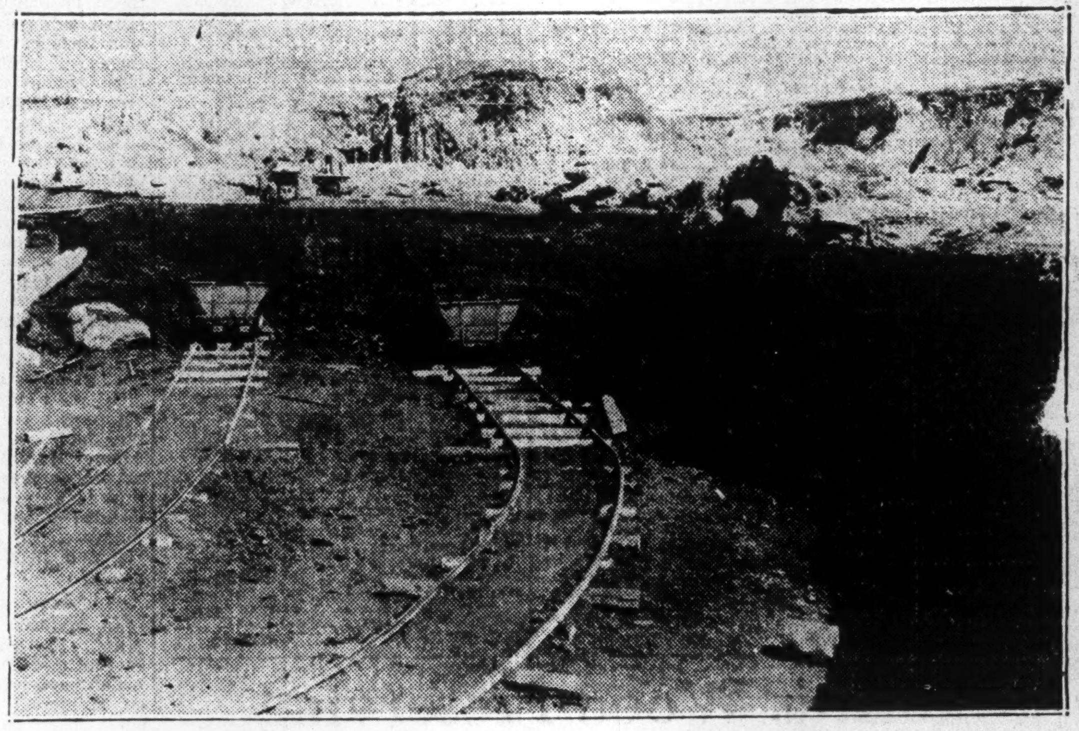
FURS AND FISHERIES

A flourishing industry is based upon the wild life of Saskatchewan.

Fur production in the season 1926-27 —the last for which statistics are available — was valued at $1,821,493.

Saskatchewan fisheries produced to the amount of $444,000 in 1927.

Innumerable lakes scattered throughout the northern part of the Province are teeming with fish and only await transportation facilities to make commercial exploitation practicable.



A Coal and Clay Pit in the Estevan District

THE SASKATCHEWAN GOVERNMENT in its Department of Railways, Labour and Industries created at last session of the Provincial Legislature, has set up machinery to assist in and promote the development of the Natural Resources of the Province. Up-to-date information respecting the resources is being compiled for use of prospectors and mining interests, and a survey of existing industries has been made which, published in pamphlet form as an index of Saskatchewan - Made products, will serve as a guide to buyers and prospective investors.

CLAYS

SASKATCHEWAN'S vast clay deposits, located close to the coal reserves, include practically the whole range from common brick and tile clays to high grade pottery and semi-china clays.

Ceramic experts predict that Saskatchewan will lead the Dominion in clay working industries.

Prior to 1924, no refractory clay products were manufactured in Saskatchewan. The demand had to be met by importations from the United States.

Now — Saskatchewan plants supply a large proportion of the home demand.

In 1927, the value of clay products manufactured in the province was $308,908.

The Saskatchewan Government, in conjunction with the University of Saskatchewan, is assisting the development of clay working industries. An intensive survey of clays and the ceramic possibilities of the province, has been made; a ceramics branch has been added to the University; a research laboratory and expert assistance is at the disposal of manufacturers to aid in solving problems affecting the industry.

THE CLAY INDUSTRY IS COMING INTO ITS OWN.

POWER RESOURCES

In the vast coalfields of Southern Saskatchewan and in the water power sites of its Northern Rivers, the Province is well supplied with "raw material" to ensure abundance of cheap power for Industrial Development.

Power for mining operations at the Flin Flon, and possibly, other properties, will be generated at Island Falls on the Churchill River in Saskatchewan.

Numerous similar sites are available for industries based on the pulpwood and forest reserves, and on the mineral resources of Saskatchewan's northland.

Prospecting in Northern Saskatchewan.

MINERALS

Seventy-seven per cent. of the Flin Flon ore body is situated in Saskatchewan.

Active prospecting, prelude to development and actual mining operations, now is in full swing.

Reports indicate remarkable variety of mineral wealth in Northern Saskatchewan.

Mining interests and capital are following the Pre-Cambrian Shield westward from Northern Ontario, through Northern Manitoba into Northern Saskatchewan. The trend of mining development is—westward!

ALKALIS

Extensive deposits of Sodium Sulphate are found in the alkali lake districts of Saskatchewan.

Twenty of these deposits are estimated to contain approximately 100,000,000 tons of hydrous salts.

Sodium Sulphate to the value of $1,000,000 is used in Canadian industries annually—that is, in the pulp and paper industry, glass, dye and textile plants, in the making of certain chemicals, and for medicinal and tanning purposes. Most of the amount is imported from the United States.

Saskatchewan, with the largest deposits in Canada, contributed only $11,319 worth in 1927.

FORESTS

SASKATCHEWAN has a great potential asset in her Northern Forests.

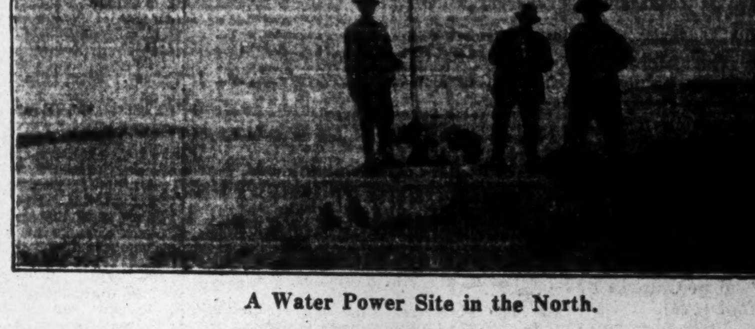
The Forest Area exceeds 50,000 square miles, and is estimated to contain:—

8,000,000,000 board feet of saw material; 155,550,000 cords suitable for the manufacture of paper; millions of cords suitable for firewood.

A large proportion of the logs cut are shipped to Manitoba saw mills.

In 1926, the value of Saskatchewan's forest products was $2,236,000.

Yet Swedish forests, covering no greater area than those of Saskatchewan, yield an annual harvest valued at $100,000,000.



A Water Power Site in the North.

BRITISH INVESTOR FAITH IN CALGARY BREW. REWARDED

Sound Management Enables Company to Overcome Difficulties

Thirty-six years ago, or seven years after the railway was completed, the Calgary Brewing and Malting Company was incorporated to carry on the business of malting and brewing. In the intervening thirty-six years the company has established for itself an enviable reputation for the quality of its products.

Many difficulties had to be faced by the organization in the early days of its career. In the first few years there was a very small amount of business, very few people had any money and any number of people indirectly connected with the business wanted money to build hotels, etc.

In addition to this there were several years of law under the Prohibition Act which was extremely difficult to operate under, but the present law promotes the sale of beer rather than spirits and wines. Beer parlors are operated in connection with hotels and consumption is large.

In Favorable Position

Calgary Brewing and Malting Company has been and is in a position to benefit from the increased consumption, as its earnings statement shows.

The company also is interested in a large number of cold storage plants and hotels in different parts of the country and has helped very materially to raise the standard of hotels for the accommodation of the public.

The profit and loss statement of the company for the last year is not available, but that for the fiscal year March 31, 1926, shows net profits of $252,302, to which was added other profits of $21,529, bringing the total up to $273,831. A five per cent. dividend was declared on the common, leaving the surplus for the year at $198,831. Adding the previous surplus, a balance of $389,924 was carried forward.

Although the income statment is not available for the fiscal year 1927, the balance sheet would indicate that profits were exceptionally good as the profit and loss account now stands at $599.497, an increase of $209,573 over the preceding year.

Assets Show Strength

The balance sheet shows assets of $3,525,801, of which $2,872,432 represents real estate, plant and equipment, investments and loans to customers and mortgages. The liabilities, aside from capital stock and funded debt, include: mortgages payable, $131,370; accounts payable $92,013; bills payable, $25,000; liability for return of containers, $27,450; and accrued items payable, $19,102. Reserves now total $385,604.

This company was originally financed in England and of the five directors three are resident on the other side. The authorized capital stock amounts to $2,000,000. of which $1,500,000 have been issued. There is also a funded debt of $745,713 first mortgage bonds.

CROW'S NEST COAL HAS LONG RECORD IN ALBERTA FIELD

Eastern Capital Established Company Thirty Years Ago

Crow's Nest Pass Coal Company is one of the oldest operating companies in Alberta. In April, 1897, the company was incorporated as the Kootenay Coal Company. Six months later the corporate name was changed to its present form.

As was the case with many of the Western enterprises in those early days, the capital was practically all subscribed for in the East. Two of the largest shareholders are the Northern Securities Company and the Granby Consolidated Mining and Smelting Company.

The properties of the company consist of some 240.000 acres, all located in the Fernie district on the Crow's Nest Pass branch line of the Canadian Pacific Railway. Considerable money has been spent in exploiting the coal resources. In addition the company owns, through stock control, the Crow's Nest Pass Electric Light and Power Company and the Morrisey, Fernie and Mitchell Railway Company.

Profits Fluctuate

Operating results of the company have fluctuated widely at times, though on the whole a better financial showing has been made than that recorded by the majority of coal mining companies operating in Alberta. Between 1921 and 1926 gross profits ranged from a high of $533,176 in 1923 to a deficit of $257,940 in 1924.

The last report available—for the year 1926—shows gross profits of $285,516, which after deducting certain items, left a net of $271.421. This compared with $343.915 in the preceding year. Dividends of $372,600 were declared, leaving a deficit for the year of $101,269. This brought the profit and loss balance down to $122,135.

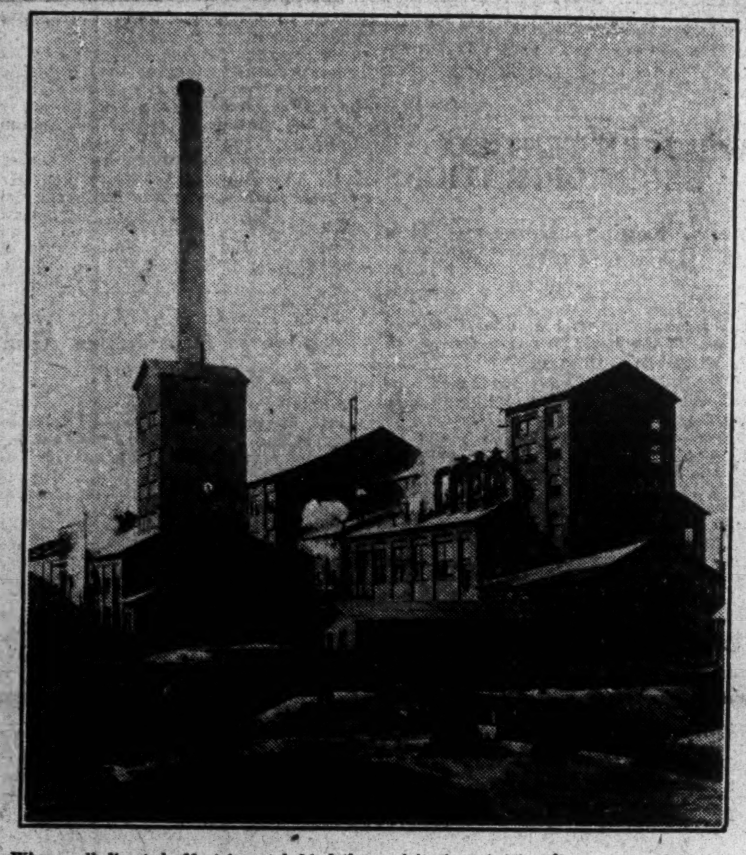
There has been a fair amount of investment interest in Eastern Canada in the capital stock of the Crow's Nest Pass Coal. Of the total authorization of $10,000,000, $6.212,667 was issued. The market value of the stock reached a high of 86 in 1926 and is now being traded in between 50 and 60.

Since 1925 a quarterly dividend of 1½ per cent. has been paid on the stock.

Better Market Needed

The outlook for the company is not any different from that of many others operating in the province. A wider market is needed by all. While the new coal rate to Ontario may prove beneficial to some mines, especially those in the Drumheller district, it is not likely to prove of value to those in the Crow's Nest Pass. A large percentage of the output of this company is sold to the railways, while the balance is marketed in British Columbia and Alberta and other contiguous territory.

Modern Sugar Beet Refinery at Raymond



When well directed effort is put behind the exploitation of Alberta's raw materials the result is the establishment of many fine industrial plants such as the above.

Canadian Western Gas Now Serves in Alberta Over 17,000 Customers

Canadian Western Natural Gas, Light, Heat and Power Company, a subsidiary of International Utilities, is the largest public utility operating in either Saskatchewan or Alberta. It is the largest natural gas distributor in the Dominion.

The record of this company goes back to 1912, when capital was raised in London, Eng. Its early operations were largely confined to establishing gas mains and distributing system to and in Calgary. Expansion has taken place in an orderly manner and the company now produces and distributes natural gas for heating and industrial purposes to the cities of Calgary and Lethbridge and the towns of Granum, Claresholm, Macleod, Nanton, Okotoka, and Brooks. In all a population of some 85,000 is served.

The number of consumers to whom gas is provided has increased from approximately 5,000 in 1913, to in excess of 17,000 at the present time. In 1927, sales aggregated approximately four and half billion cubic feet, of which more than 85 per cent. was purchased by consumers in Calgary.

Owns 21 Wells

The company owns over 21 producing gas wells, mainly in the Bow Island and Foremost fields, between 110 and 130 miles southeast of Calgary. In addition to wells owned, the company entered into an agreement to purchase substantial quantities of gas from the Royalite Oil Company, which operates important wells in the Turner Valley, about 30 miles southeast of Calgary. The company also has entered into an arrangement enabling it to purchase gas from wells owned by the Canadian Pacific Railway in the Bow Island area. Thus the company is assured of an adequate supply of natural gas for some years to come.

The developed gas reserves on properties now owned or controlled by the company are estimated to contain approximately sixty billion cubic feet. In close proximity to wells now controlled by the company are located extensive gas areas estimated to contain practically an inexhaustible supply of natural gas. Furthermore, the company's agreement with the Royalite Company further strengthens the company's position in regard to future supplies.

In its sixteen years of operation, the company has built up a very extensive system for gas distribution. At present the company has about 240 miles of main trunk line, 19 miles of field pipe lines and 196 miles of distributing mains in the cities and towns served. It also owns all buildings, drilling and other equipment for the operation of its system, including 240 miles of private telephone lines.

Gas Sales Heavy

Operating statistics for the past year show that sales of gas totalled approximately 4,669 million cubic feet. Of this quantity 3,156 million cubic feet was supplied to domestic consumers; 536 million feet to commercial consumers; 975 million to industrial consumers.

During the year a new business department was organized with a view to securing the maximum amount of business which is available in the towns and cities served by the company. The following satisfactory results were obtained: 769 new domestic services on old mains; 632 new domestic services on new mains; 1,609 new furnaces; 165 new large buildings, such as blocks, apartments, hotels, etc.. and 2 new industrial users.

The company operates under the jurisdiction of the Board of Public Utility Commissioners for Alberta, which has the right to supervise operations of the company's properties and to fix, determine and regulate rates so as to provide a reasonable return to the company and ensure the sale of gas at equitable rates.

Income Increased Steadily

Financial returns since 1921, show a steady increase in gross income, touching a high of $1,661,433 in 1927. The heavy write-off for depreciation in 1921, 1922 and 1923, was largely instrumental in the recording of a deficit, an average of $500,000 per annum having been marked up in that period. For the past four years, net profits have ranged as follows:

1924, $12,377; 1925, $494,175; 1926, $455,536; and 1927, $545,826. The report for 1925 covered 15 months operations.

In 1926, the company paid its first dividend on the common stock, amounting to $240,000. In the following year, the dividend payment was increased to $420,000.

Earnings from January 1, to July 31, 1928, were $1,134,982, compared to $936,201 for the corresponding period of 1927. This represents a gain of 17.4 per cent. despite mild weather in the spring months which reduced the consumption in Calgary and other places served by the company.

Strong Balance Sheet

The last balance sheet shows that the outstanding capital of the company consists of $1,087,446 first mortgage debenture stock; $2,525,900, 6 per cent cumulative participating preferred stock and $8,000,000 of ordinary stock.

Assets of the company at the end of last year totalled $16,120,828, against which there were liabilities, exclusive of capital stock and debentures of $496,833.

Investment interest in Canadian Western Natural Gas itself is confined largely to the 6 per cent. preference stock, but the steady appreciation in the value of International Utilities "A" and "B" shares is largely a reflection of the improvement in the earnings of the subsidiary company.

SODIUM SULPHATE MEET DIFFICULTIES EARLY IN CAREER

Future Promising When Present Troubles Are Overcome

Although preliminary results have not been too favorable, the outlook for the Sodium Sulphate Refining Company is not unsatisfactory. The company was established a little over a year ago to exploit valuable sodium sulphate deposits near Fusilier, Saskatchewan. A plant was erected and after being in operation a short time it was found that the equipment was not entirely suitable. Hence it has been necessary to change slightly the layout of the plant.

Two other problems were met with by the company during the first year of its operation. The first and at the time the more important, was the flooding of the deposit by excessive rainfall, making it impossible to work. Attempts were made to drain the water of the deposit but results hardly justified the time and money involved.

Made Numerous Tests

Before the company carried out any financing, numerous tests were made of the sodium sulphate to determine its suitability for commercial purposes. These were highly successful but when the product was shipped to the eastern markets, buyers complained of the color of the sulphate. This is only a minor matter.

With these problems out of the way, Sodium Sulphate Refining Company should develop into a strong and prosperous concern. The company's properties are well located and have reserves of sodium sulphate sufficient to keep the company operating for an indefinite period.

Big Potential Market

The market for the product is widespread. Sodium sulphate is used most extensively in the pulp and paper, glass, dye and textile industries and to a considerable extent for medicinal and tanning purposes. The pulp and paper trade, in Canada alone, at present uses considerably over 50,000 tons of sodium sulphate per annum and by far the greater proportion of this is imported.

Calgary capital is behind this undertaking. Some 7,000 shares of eight per cent. cumulative preference stock, representing the authorized capital, was offered publicly at $5 with a bonus of one share of common stock. There are 33,000 shares of common stock, of no par value, outstanding.

Once the company is on a sound operating basis, this enterprise should prove profitable to its shareholders. The capitalization is very small, assets including property at a nominal value, plant and equipment, alone having a value of about $530,000.

Production costs are low, while the current market value for sodium sulphate assures a good profit. When plant adjustments have been completed, the color of the product improved, and a market established, the company should be on a good paying basis.

HILLCREST COAL FINANCED WITH EASTERN MONEY

Company Has Long and Favorable Record of Operations

Hillcrest Collieries is one of the older and more successful of the coal mining companies operating in Alberta. Originally established in 1912, the company acquired in the following year the Hillcrest Coal and Coke Company. Operations have been carried on continuously and its production places the company among the leaders in this industry.

There is a large amount of eastern capital invested in Hillcrest Collieries. A number of prominent Montrealers are on the board of directors and the head office of the concern is located at Montreal.

Although Hillcrest Collieries has had to contend with various problems in relation to the marketing of its output, it has been more fortunate than the majority and through its strong and able management has been able to build up strong cash reserves and generally consolidate its position so that it is not so easily affected by the vagaries of the market.

Current Operations Good

Current operations of the company are said to be very good. Its properties at Hillcrest, on the Crow's Nest Pass branch of the Canadian Pacific Railway, are being worked steadily. There has been an exceptionally early demand for coal this year. The assurances of a good crop combined with a greater supply of ready cash, has been largely instrumental in the placing of early orders.

So far the Hillcrest Collieries have not greatly concerned themselves with establishing a market for their coal in Ontario.

For the year ended December 31 last, the company reported net earnings of $63,711. This was considerably below the $107,694 reported during the preceding year. The decline in earnings, however, was general among the majority of coal mining companies in the province.

Small Deficit in 1927

After meeting bond interest, dividend requirements and paying $60,000 on the common, a deficit of $7,832 was recorded, bringing the profit and loss balance down to $197,595. For the calendar year of 1926, a surplus of $9,692 was carried forward.

The balance sheet of the company shows assets of $2,641,254. Current assets are placed at $94,636. Investments in other collieries total $186,509. Among liabilities, accounts payable total $45,063; accrued wages $25,055; dividends payable $27,350, and bond interest $5,417. A reserve of $10,074 has been set up for compensation claims, while $300,000 has been ear-marked for contingencies.

The funded debt of the company has been gradually lowered and at the end of last year totalled $325,000. The original issue was of $750,000, 5 per cent. first mortgage bonds.

Authorized capital stock of the company consists of $1,000,000, 7 per cent. preferred and $2,000,000 of common stock, par value $100. Half of the common stock is now outstanding and $705,700 of the preferred stock.

The market record of both the preferred and common shows little fluctuation in the past few years. In 1924, the preferred reached a high of 84 and a low of 80. There was little change in 1925 and 1926, while the high for last year was 87 and the low 83½. The common has a similar record of stability, touching a high of 68 in 1924, and 65 in 1927, while the low was 65 in 1924, 60 in 1925, 55 in 1926, and 60 in 1927

N. W. UTILITIES MAKES HEADWAY IN EDMONTON

International Subsidiary Supplies Gas to Rich Area Through North

Northwestern Utilities Limited forms one of the companies going to make up the International Utilities Corporation, one of the large organizations of its kind operating in Canada.

Northwestern Utilities operates under an exclusive 20 year franchise to supply natural gas to Edmonton for domestic and heating purposes. The gas supply of the company is obtained from a field near Viking, about 80 miles north-east of Edmonton and covers a proven area of 27 square miles. The leases are approximately 16,000 acres in this reserve and extending for a period of 21 years and which are renewable for similar periods in perpetuity have been invested in the company.

It is estimated that the reserve contains not less than 60,000,000 cubic feet. A number of wells have been drilled on the company's properties and all are producing with an average open full capacity of nearly 5,000,000 feet a day.

The fiscal properties of the company consist of a main transmission line some 77 miles long over the company's own right of way; 40 miles of 12 inch pipe and 37 miles of 10¾ inch pipe. There are two stations, one at each end of the line to regulate the pressure. No pumping stations are required as the gas comes in under its own pressure.

The distribution plants consist of over 80 miles of pipe lines and seven main pressure regulator stations at Edmonton and six more similar stations in the towns. The plant is already constructed at Edmonton to take care of approximately 10,000 consumers.

Gas was first supplied to Edmonton in the fall of 1923 and, at present, the company has over 5,000 connected consumers. The total prospective number of consumers is in excess of 12,000.

Earnings of the company have shown a consistent increase from year to year. For the current year it is estimated that earnings of the company, after charging up all operating expenses, taxes and lease rentals, but before income tax, will amount to $755,000.

Burns and Co. Stand Among Nation's Leaders In Provision Industry

Record of Earnings Over a Long Period is Outstanding; In Addition to Meat Packing, Cheese, Butter Fruits, Eggs Handled; Distributes Through Own Stores

Burns & Company, with headquarters at Calgary, is the only large Canadian meat packer which has been able to consistently operate with a profit during the last seven or eight years. Furthermore this company was alone among the larger packing concerns of this continent which came through the deflation era without suffering a severe loss.

Until this year Burns and Company had been operated under the name of P. Burns and Company which was founded in 1890, primarily for the purpose of providing meat supplies to the camps in the West Kootenay mining district. From that small beginning the growth of the company has been steady. The first abattoir was erected in 1897 followed by another two years later in Vancouver. By 1909 the packing house facilities in Vancouver had been extended and improved and cold storage plants had been erected in Calgary, Vancouver, Nelson and Revelstoke. Later on the company acquired or built packing houses in Edmonton, Prince Albert, Regina and Winnipeg.

In addition branch warehouses with cold storage facilities are located at Kenora, Fort William, Moose Jaw, Lethbridge, Prince Rupert and Victoria.

Retail Store Pioneer

The company has been a pioneer in the retail chain store field. The first stores were opened in the mining towns of Nelson and Rossland in southern British Columbia about 1894. Five years later two more were opened in the same region. In the first decade of the present century the chain was extended chiefly along the railway between Lethbridge and Grand Forks, B.C. and along the main line of the C.P.R. in such railroad towns as Banff, Field, Golden and others. A number have been established on Vancouver Island. Thus the growth of the cities of Edmonton, Calgary, Vancouver and Victoria made it desirable for the company to increase the number of stores in these centres.

There are now 92 of these stores located chiefly in Alberta. British Columbia and Yukon. This retail store chain constitutes a valuable outlet for large quantities of the company's products.

About twelve years ago Burns and Company established a separate department to look after its cheese and creamery business. The company now has a number of creameries and cheese factories and distribution plants for ice cream and milk, almost all of which are owned outright.

While the company now handles a widely diversified line of food products its principal business has been and is that of meat packing. Nevertheless, its retail stores and cheese factories, the wholesale fruit business and other distributing activities all combine to give the company a very substantial measure of diversification which has played no small part in the success of this pioneer western meat packing firm.

Widespread Organization

A survey of company's activities shows that company now owns and operates 16 wholesale fruit depots, 95 retail stores and more than 40 creameries extending from Saint John, N.B. to Victoria. The company, in addition, has important agencies in Europe, the West Indies, and the Orient. Furthermore the company has acquired control or ownership of important properties in Winnipeg and Toronto in order to round out its activities.

As previously mentioned the title of the company was changed early this year owing to a change in ownership. At the time a first mortgage bond issue of $7,000,000 and $6,900,000 of 6 per cent. preferred stock were offered to the public. Aside from a small amount of common stock, which was offered to the preferred purchasers as a bonus, there is no public investment interest in the junior security.

Assets Over $15,000,000

Total assets of the company as at December 31, 1927, amounted to $15,723,077. Of this amount fixed assets including real estate, plants, machinery and equipment, etc., less purchase money mortgages, totalled $10,345,464. Net liquid assets provided a further $4,291,345 and investment shares and securities of and advancement to other companies totalled $586,268.

While the company's operations are known to have been successful over a period of many years, a public statement was not available until a short time ago. Earnings of the old company for the four years and six months ending December 31, 1927 averaged $991,588. For the calendar year December, 1927, earnings totalled $1,065,618. For the three months ended March 31, 1928, earnings of the company, show an improvement of approximately $100,000 over the same period last year.

ESTEVAN CLAY PRODUCTS MEET WITH APPROVAL

Inter. Company Expanding Facilities to Make Pottery

International Clay Products, while one of the newer industrial concerns that have started up in Saskatchewan during the past few years, has rapidly developed into one of the largest and probably the most outstanding in the development of the clay resources of the province.

In the first place, the company was privately financed. Last year new developments under consideration by the management required additional capital and a small first mortgage bond issue, amounting to $75,000, was offered to the public.

To date only brick has been manufactured by the International Clay Products at its plant at Estevan, but with the expenditure of money derived from the sale of debentures the company proposes to develop the pottery business, such as floor and wall tile, etc.

It is interesting to note that the company was originally formed for the purpose of establishing a pottery business at Estevan, but the opportunities offered through the manufacture of brick induced the company to enter that field of the business at the start.

Operations Started Early

This year the company established a record in the matter of early operation, so far as Saskatchewan is concerned. The wire cut brick plant commenced to make brick during the latter part of March and in spite of very unfavorable weather conditions in the spring months, has continued to run one kiln of rough face brick in precess of burning. Operations will probably continue until the middle of December, thus making for one of the longest working years that the company has known.

Heavy deliveries late last fall had reduced the International Clay Products stocks of common, hollow and rough tex face brick to a point where they were dangerously low for the spring trade. This unprecedented early start has rectified this condition and has placed the company in a very favorable position to secure its share of the business offering this year.

Make Improvements

Extensive improvements were made to the plant during the winter, so that it is now in better running condition than it ever was.

Increasing interest is being displayed by the trade in the rough tex face brick, which is the company's specialty. The many fine buildings which have been built of this brick throughout the province during the past two years have attracted wide attention; and this particular product is fast becoming established as a standard for moderate priced face brick.

The markets for the company are naturally limited by the distance which the brick can be economically transported. As this area covers a large part of the southern half of the province it is felt that the demand for some time to come will be sufficient to keep operations at a very high level. There has been an exceptionally large amount of construction undertaken in the province during the past year or two. So far there do not appear to be any indications of a decline in building activity, which ensures that the company will be able to put itself in a strong financial position to tide it over lean years.

Furthermore the erection and operation of the proposed pottery plant will add diversification to the company's products, which will do much to stabilize the company's earnings.

JENKINS CHAIN STORE OCCUPIES SOUND POSITION

Twenty-Five Units Are All On Paying Basis

Jenkins Groceteria, Ltd., is the first of the purely western chain store enterprises to be financed. Although not as large as some of those well-known in the East, either in number of units or finances, this company occupies a comparatively strong position in the Alberta retail grocery trade.

It has only been in operation since 1919, but the company now operates directly, or through its subsidiaries, a chain of twenty-five stores together with a well-equipped baking plant, coffee warehouse and fruit business.

In addition to the Calgary stores, the company operates units at the following centres (all located in Alberta): Drumheller, Hanna, Vulcan, High River, Didsbury, Olds, Lacombe, Stettler and Banff. These stores are all well located and, without exception, operate at a satisfactory profit.

New Financing Completed

At the end of 1927, fixed assets of the company, consisting of land, buildings and equipment, were valued at $135,421. Added to this was the sum of $469,648 representing current assets, of which $146,197 was in cash and bills receivable. Current liabilities at that date totalled $125,070, so that the net tangible assets of the company at the beginning of this year were valucd at $480,000.

A few months ago some new financing was undertaken by Jenkins Groceteria, Ltd., in order to take care of expansion. To this end an issue of $288,000 of seven per cent. cumulative preferred shares, bringing the total outstanding preferred out up to $480,000. There are also 20,000 shares of no par value common stock outstanding.

An interesting feature of this allotment of preferred stock was the guarantee by the London and Lancashire Guarantee and Accident Company of Canada of the payment of dividends on the 2,880 shares. Furthermore, Jenkins Groceteria, Ltd., agrees that this guarantee will be kept in force for a further period of five years if any of the 2,880 shares remain outstanding.

Earning Power Favorable

The earning power of the company has been favorable to date. Based on operating results for the year ended December 31, 1927, earnings of the company, after providing for depreciation, income tax and reserve, amounted to $50,923. After payment of the preferred share dividend, there remained a balance of nearly $1 a share on the outstanding common.

This record is expected to be bettered in the next few years, as with the proceeds of the recent preferred stock issue a number of new units will be opened, which will further add to earnings.

HAT GREENHOUSES SHOW REMARKABLE EXPANSION RECORD

Now Regarded as Second Largest Enterprise in Dominion

One of the most interesting pieces of financing carried out in Alberta in some years, was that of the Medicine Hat Greenhouses, Ltd. This enterprise was started in 1909 in a very small way. By judicious management, steady expansion took place and at the beginning of this year Medicine Hat Greenhouses was recognized as the second largest enterprise of its kind in the Dominion.

One of the principal causes contributing to the success of this company, has been the abundance and cheapness of natural gas used for heating and power purposes. It has been frequently said, and with apparent justification, that the cost of operating such an undertaking in any other part of the West would be prohibitive owing to the heavy expenditure for fuel.

Start Was Small

When the business was started in 1909, activities and markets were both limited. In time other schemes were undertaken and at present the company is engaged in growing, wholesaling and retailing potted and cut flowers and small vegetables of all kinds and is equipped to cover the entire service of handling its products from greenhouses to market.

The company owns and operates thoroughly modern greenhouses with over 8 acres under glass. In addition it has its own retail stores in Medicine Hat, headquarters of the company, and in Moose Jaw.

While a fair proportion of the output of its greenhouses is marketed through its own organization, the Medicine Hat Greenhouses has established almost a continent-wide reputation for the quality of its products and promptness of its service. The company has extensive wholesale connections extending from Port Arthur, Ont., to the Pacific Coast. Furthermore it does a large mail and telegram business with points outside of the Western Provinces, shipments of flowers having been made as far east as Toronto and Montreal.

As at present constituted, the capitalization of Medicine Hat Greenhouses consists of $380,000, 7 per cent. cumulative preferred stock and 20,000 no par value common shares. The preferred stock was issued this year by a syndicate of Calgary investment bankers, the sale price being par with a bonus of one share of common.

It is the intention of the management to retire the preferred through the operations of a sinking fund. Starting in 1930, 10 per cent. of the annual revenues available upon its common stock, will be set aside by the company for the purpose of retiring the preferred either through purchase on the open market or through calling by lot.

Earnings of company have shown a steady and consistent growth over a long period of years. In 1925, earnings of the company, after deducting operating expenses and fixed depreciation, amounted to $55,416. In the following year earnings on the same basis, advanced to $62,380. There was a drop to $47,534 in 1927, but this was accounted for by the fact that extensive improvements had been carried out and paid for out of earnings.

In time the shares of the company will be listed on the Winnipeg Stock Exchange.

RIVERSIDE IRON WORKS PROSPER AS WEST GROWS

Sales Show Increase For Present Year of 24 Per Cent.

Splendid progress is being made by the Riverside Iron Works Ltd., of Calgary, and during the first four months of the current year, earnings were up approximately 24 per cent. over those of the corresponding period of last year.

This enterprise was started in a small way some 16 years ago. Expansion has been steady and the company now owns a fully-equipped plant in south east Calgary.

A foundry, blacksmith shop, structural steel and acetylene plant and machine shop are operated by the company. Over 200 men are employed in the different departments.

Amongst its many products are tractor parts, mills, wire screens, coal mine equipment, grain elevator equipment and oil well tools and equipment.

Capital Expands

Capitalization of the company has expanded from time to time to take care of the growing needs of the company. The common stock is closely held by Calgary interests. At present there is a 7 per cent. first mortgage bond issue of $225,000 outstanding in the hands of the public.

At the beginning of November last year, net assets of the company amounted to $644,607. This figure takes into account all liabilities excepting the bond issue put out at that time, and it is based on the valuation showing the depreciative value of the plant and equipment.

In view of the expansion of the company's three principal lines of activity—farm, coal mine and oil well equipment—there appears to be a favorable future for this company.

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COALSPUR COAL MAKES PROGRESS ON GOOD LINES

Over 200 Tons Produced Daily and Market Widening

Toward the end of 1926, the Coalspur Collieries, Ltd., was organized to take over the coal properties on the Coalspur branch of the Canadian National Railways, formerly operated by the Oliphant Munson Collieries.

At the time an issue of $75,000, 7 per cent., gold bonds, which was later increased to $100,000, was offered to the public. Proceeds of this financing were used to purchase and equip the balance of the machinery needed to put the mine into first class operation. The original expenditures were somewhat in excess of what had been estimated, hence the issuance of the additional $25,000 of bonds.

Although the new company has not long been in operation, results to date have been fairly satisfactory. The mine has been operating practically continuously all summer and lately has been averaging 200 tons daily.

Demand for Coal

Orders have been coming in freely and present indications point to sufficient business to keep the mine operating throughout the balance of the year. Prospects for late fall and winter business are very favorable and it is possible that production will be increased to take care of the additional demand.

The company has been fortunate in securing several large orders from the Canadian National Railways, which is using the coal for domestic purposes on its different districts as far as the next division east of Winnipeg.

The management has undertaken to carry out an extensive programme of improvements to the property. New bunkers were erected early this year which have considerably decreased the amount of slack coal. A further saving in slack coal will be made on the installation of rotary screens, which are in addition to the present large Marcus screen.

Large Coal Resources

The property of Coalspur Collieries consists of 3,140 acres of coal lands, together with equipment, both having an estimated value of $575,000. Against this and ranking ahead of the first mortgage bonds, there is a balance of nearly $200,000 due on the purchase price. Arrangements have been made to reduce this prior debt through the payment of 25 cents a ton on all coal shipped from the property.

The estimate of coal reserve in the principal seam Val d'Or is placed at 13,500,000 tons. Of this amount, it is conservatively estimated that some 6,750,000 tons are recoverable. This does not include any estimate of the available coal in the Silkstone, Wee Coal and Mynheer seams and only covers 600 acres of the whole property.

No financial statement has been issued by Coalspur Collieries to date. The first year of operations were necessarily attendant with heavy expenditures in connection with equipping the mine. This year, however, conditions are greatly improved and the outlook is more favorable.

ECONOMY RULES IN SASKATCHEWAN

Municipal Councils Keep Close Tab on Expenditures

Financial statements received from 100 Saskatchewan municipalities for 1927, 45 of these in the southern portion of the province and 55 in the northern portion, show the standing of these municipalities to be practically the same as in the preceding years in the matter of bank overdrafts, bank loans, and the amount of bank interest paid.

In 1926 these 100 rural municipalities collected 69.47 per cent. of their taxes, while in the following year the same municipalities collected 69.67 per cent. The uncollected taxes in each municipality show a decrease of $45,000 in 1927 as compared with 1926, or almost 2 per cent. It is interesting to observe the very substantial reduction in the amount of bank interest paid by the rural municipalities since the year 1921.

Interest Payments Heavy

Interest payments made by rural municipalities in the year 1921 on ordinary bank loans amounted to approximately $365,000, or an average of $1,000 per day, while in 1922 these payments increased to $421,000, or slightly over $1,150 per day. Between the year 1922 and the year 1926 a very material improvement took place. The total bank interest paid by all rural municipalities in the latter year amounted to $185,000, or approximately $500 per day.

While it is natural that with the return of better times expenditures should increase councils have endeavored to conserve the municipal resources in order that the municipality may be better able to cope with the situation should a period of depression come again.

Records show that for the present year 236 municipalities out of a total of 301 have appointed chartered accountants to audit their books. This is an increase of approximately thirty per cent. since the year 1922 when 181 rural municipalities were audited by chartered accountants. This, in the opinion of the department, is a very hopeful sign.

Alberta Linseed Oil Is Profitable Firm

Alberta Linseed Oil Company, with plant and head office at Medicine Hat, is a subsidiary of the well-known eastern paint manufacturing concern Brandram-Henderson, Ltd.

The company has been going for some time and in 1918 was purchased by Brandram-Henderson. It is now an important unit in that concern, as it supplies a large percentage of the linseed oil used in the manufacture of its paints and pigments.

The Alberta Liseed Oil Mills have a capacity for dealing with upward of 250,000 bushels of flax, producing over 500,000 gallons of pure linseed oil; with clarifying, boiling and refining adjuncts.

It does not publish an annual report, but the parent company notes in its last annual report for 1927, that operations were both satisfactory and profitable.

The success of this Alberta enterprise is indicative of the opportunities that exist in the West for the investment of capital. There are other opportunities of as profitable a nature which could be developed if sufficient capital were available.

Canada's Second Largest Greenhouse in Alberta

Plant of the Medicine Hat Greenhouse Co., from which products are shipped to all parts of the Dominion and the United States.

"Co-op" Manufactures Nearly Half of Butter Made in Saskatchewan

Co-Operative Creameries and Caulder's Creameries, Ltd., or as it is better known in Saskatchewan, the Co-Op. Creameries, is the dominant business of its kind within the province and undoubtedly one of the largest in the Dominion.

It occupies a position in relation to the Saskatchewan dairy industry that is unique in many respects, for it produces nearly half of the total provincial butter production. Its shareholders list looks like a roster of the dairy farmers in the province. There are few big shareholders, the majority owning less than ten shares each. It is essentially a co-operative affair and has the support and goodwill of the provincial government and the citizenry at large.

Merged Last Year

Since the bringing together of the Caulder's Creameries and the Saskatchewan Co-operative Creameries last year, an improvement has been brought about in finances. For the ten months ended December 31 last, an operating profit of $190,985 was shown. After deducting various sums for rentals, maintenance charges and dividends of $49.560, there remained a surplus of $3,655.

The consolidation of the balance sheet of the two old companies brought out a profit and loss deficit of $600,154. After deducting the small profit for the ten months operations last year, this item was reduced to $596,499. The management then decided to eliminate the goodwill item, which was carried on the books at $599,999, so that the profit and loss account deficit was changed into a balance of $3,500.

Current operations are as satisfactory as one can expect. It is true that operations of the Co-Op. Creameries closely reflect the butter produtcion of the province as a whole. During the past two years, therefore, there has been a marked falling off in butter production due to the high prices for wheat. It has been found that when wheat is selling at a high point or in other words when the ratio between wheat and butterfat favors the former, the farmers devote most of their attention to the production of grain. The last two seasons have been particularly favorable to grain growers and it is not surprising that production of milk has dropped off very materially.

Butter Output Features

The records show that the Co-op. Creameries produced approximately 12,000,000 pounds in 1926. Last year production fell away to 8,000,000 lbs. and this year it is expected that the output will not exceed 7,000,000 lbs. This inferior showing is not due to loss of business on the part of the Co-Op. Creameries, but solely due to the fact that they cannot obtain supplies.

There is a market within the province for all the butter that the company can produce. In fact, it is estimated that this year Saskatchewan will have to import approximately 15,000,000 pounds of butter to take care of domestic needs. Two years ago the province had a surplus of 25,000,000 pounds.

At the moment the Co-Op. Creameries are paying more for butter fat than at any time in the past two or three years. The ratio between wheat and butterfat prices, at the current market, now favors the latter and the management is confident that next year will see a substantial improvement in the production of butter within the province.

Started in 1910

The history of this organization is varied and interesting. Caulder's Creameries is the oldest unit. This company was established in 1910 as a public concern. It engaged in the wholesale and retail milk and cream business, and the wholesale ice-cream and butter business, in Regina, Saskatoon, Moose Jaw, Swift Current and other important centres throughout the province.

Before the merger with the Saskatchewan Co-Operative Creameries, it had absorbed the Western Creameries, Ltd., which operated 10 branches, principally in the northern half of Saskatchewan and the Saskatchewan Creamery and Ice Cream Company, which operated twelve branches in the southern half of the province. At the time of the merger Caulder's owned 23 plants, valued at over $1,000,000.

The Saskatchewan Co-operative Creameries of Regina, as its name implies, was a purely co-operative enterprise. It was brought into being to incorporate into one organization the isolated creameries throughout the province. Its properties consisted of 29 creameries and seven cold storage plants, situated at Weyburn, Regina, Saskatoon, North Battleford, Melville, Yorkton and Melfort, valued at approximately $1,600,000.

In 1927 it was decided to bring the two organizations together under the title of Co-Operative Creameries and Caulder's Creameries, Ltd. The result was a corporation controlling 52 creameries and seven cold storage plants.

New Capital Set Up

The authorized capital set up of the consolidation amounts to $3,000,000 of stock, of which is issued $1,000.000 divided into 50,000 shares of $1 each, and 47,500 shares of $20 each. The remaining $2,000,000 may be divided into shares having preferred or other rights.

Basis of exchange of stock of the two companies entering the merger is somewhat involved. In order of priority comes $800,000 bonds of Caulder's Creameries, of which $500,000 bear 7 per cent. and $300,000 6 per cent. interest, together with the government mortgage on Co-Operative Creameries plant.

Some $600,000 of Caulder's Creameries 7 per cent. preferred shares were exchanged at par for the same amount of Co-Operative Creameries preferred shares. Also a block of 108,000 shares common stock of Caulder's Creameries was exchanged for Co-Operative Creameries 7 per cent. preference shares.

There is a small block of Government redeemable 6 per cent. preferred shares, which have a prior claim.

The junior security consists of the common stock of the Saskatchewan Co-Operative Creameries, of which 811,000 shares are subscribed and 355,000 paid up. These will remain undisturbed until the company is in a position to share in the increased assets, and sufficient profits are available for dividends.

Outlook Favorable

As previously mentioned the falling off in butter production during the past two years, is not to be taken as an indication of weakness in the Co-Operative's position. As the population of the provinces continues to grow, and more and more farmers turn to diversification, the company will gain in strength and prestige.

There are comparatively few districts in the province which the company does not operate. While the production of butter is the principal end of the business, much attention also has been paid to the preparation and distribution of milk and cream in the larger cities. The manufacture of ice cream is also an important department, while cheese and other dairy products are handled.

MOTOR TRUCKWAY MOOTED FOR NORTH

Bowen Utilities Plan to Operate in Peace River Area

An ambitious program has been set up by the newly formed Bowen Utilities Corporation. The company proposes to build and operate a line of motor-operated truckways from Grande Prairie to Smoky River, and has in view other extensions throughout Northern Alberta.

Furthermore, Bowen Utilities propose to build a railway line bordering along the highways and on which would be operated a daily train service.

The company has undertaken to transport from 20,000,000 to 30,000,000 feet of lumber per year from Riverton. It is estimated that the present railway line will cost, including running equipment, a total of $279,840, and the income is estimated at $135,750 a year, while the estimated expenditures are placed at $81,600, leaving an estimated net profit of $54,150.

The undertaking is being financed through the issue of $300,000, 8 per cent. cumulative redeemable preferred stock, with a bonus of five shares of common with each preferred. Upon completion of the financing, the company will have the following authorized and outstanding capitalization, namely, $300,000 first preferred stock and 100,000 shares of no par common.

Alberta Stockyards Ltd. Handle Heavy Traffic Volume

Alberta Stockyards, Limited, was incorporated a number of years ago for the express purpose of handling the large volume of stock despatched to Calgary for sale. As Calgary is in the centre of a rich livestock raising area, the business done by this company is quite heavy; records of the Dominion Department of Livestock would indicate that Alberta Stockyards is the fourth largest in the Dominion.

There is little or no investment interest in this company. The Canadian Pacific Railway controls it. It is not possible to show the earnings of the company, as its report is not made public. Nor does the annual report of the Canadian Pacific Railway indicate what revenue it receives from this subsidiary.

PREMIER GARAGE WELL SPONSORED

Building Will Be Ready Shortly — Lease Is Perpetual

Completion of the Spiral Garage, which is being constructed by the Premier Garage, Ltd., is expected within the next month or two. This is the first undertaking of its kind to be publicly financed in Calgary.

The building being erected is of the modern ramp type, four levels, fireproof and of reinforced concrete. The location of the building is within a couple of hundred yards of the business and commercial centre of Calgary.

The financing of this enterprise was undertaken through the issuance of $60,000 of 7 per cent. first mortgage serial bonds by local investment houses. A corresponding amount of 8 per cent. preferred shares was sold privately. There are also 3,000 shares of no par value common stock outstanding. One share of the latter was given as a bonus with each $100 bond.

The bonds are unconditionally guaranteed both as to principal and interest by Premier Motors, Ltd., and its subsidiary, and by C. R. de la Vergne, the president of Premier Motors, and of Premier Garage, Ltd.

The garage is under a perpetual lease.

INDEP. BISCUIT OUTPUT MEETS WITH DEMAND

Calgary Enterprise Justifying Faith of Numerous Shareholders

One of the largest and most modern biscuit plants in the west, is operated at Calgary by the recently formed Independent Biscuit Company. This organization came into being shortly after the consolidation in 1926 of various units across the country into the Canada Biscuit Company. Interests associated with the Northwest Biscuit Company, of Edmonton, one of the concerns taken into the merger, then decided to form their own organization.

It is understood that preliminary plans of the management of the Independent Biscuit Company were somewhat too ambitious. The initial capacity of the plant was found to be slightly in excess of demands. This slack between production and consumption has since been taken up and the company is now finding a ready market throughout the West for its products, which have come into popular demand.

So far the company's production has been confined to a line of high grade and staple biscuits. An active sales organization has been built and distributing agents established in virtually every section of Western Canada. Sales branches have been established at Saskatoon, Regina, Moose Jaw, Edmonton, Vancouver and Victoria.

The total biscuit business done in the Western territory is estimated in excess of $2,000,000 a year. The old Northwest Biscuit Company, established and operated up until the merger by interests controlling the Independent Biscuit Company, during the last few years of its operations did business to the amount of nearly $1,000,000 a year.

Secures Share of Trade

Just how much of the available business is being secured by the Independent Biscuit is not known, as no report is available. Judging by plant operations, however, the company is securing a fair share of the trade.

Financing of this Calgary enterprise was not undertaken until about the middle of last year. Calgary bankers then made an offering of $125,000, 7 per cent. cumulative first preference shares, which were offered with a 100 per cent. bonus of common stock. This stock was largely taken up by local investors.

WESTERN TENT CO. BEGIN OPERATIONS

New Regina Concern Has Wide Market For Products

Western Tent and Awning Company is one of the latest Western companies to be publicly financed.

This company has purchased the Capital Awning Works of Regina as a nucleus of this business. Special attention will be given to the manufacture of all kinds of tents, awnings, blinds and other lines kindred to this business. Hand made blinds are becoming essential to the modern home and special machinery will be installed to develop this trade.

It is the intention of the company to build a modern plant as soon as conditions warrant it, and with this end in view a site has been obtained in Regina. In the meantime business is being carried on in the premises formerly occupied by the Capital Awning Works.

Additional equipment is being obtained to make the plant thoroughly modern in every respect.

The market for the products of this company is an extensive one. Not only is there a market in the cities of Saskatchewan, but it is aimed to carry out an intensive sales campaign throughout the country districts.

The capitalization of the Western Tent and Awning Company consists of 2,000 shares of preferred stock, of the par value of $25 each, of which 500 shares are issued. Common stock of no par value authorized amounts to 4,000 shares, of which 2,500 are issued.

Union Power Co. Activities Centre in Drumheller Area

At the beginning of this year the Union Power Company, Limited, of Drumheller, was acquired through stock by the International Utilities Corporation. This company supplies electricity to the municipalities of Drumheller, Munson, Coaldale, Morrin, Wayne and Hanna, and also to the coal mines in the immediate vicinity.

The gross operating revenue of the Union Power Company, according to the latest report, is about $220,000 per annum and the number of customers served is 1,608. It is intended to extend the service of this company to communities within a radius of 50 to 75 miles.

WOOLLEN MILLS SEEM ILL-

Lack of Interest Makes Selling Difficult

Little success has so far met
forts of the promoters of the
Canada Woollen Mills to sell
the enterprise in order to secure
ficient money to establish a
The head office of the company
located at Edmonton and it was
intention to erect a mill at that
Owing to the lack of response
investors an effort was made to
backing from Lethbridge.
There are certain inherent
nesses in the enterprise which
made it difficult to put the
on a sound financial footing.
or not sufficient stock will be
permit a start, remains to be
According to prospectus, cover
issue of $150,000 of 7 per cent.
lative preferred stock, Western
ada Woollen Mills proposed to
facture and sell blankets,
yarns, flannels, mackinaws,
friezes, etc., and to carry on
tion, the business of wool-pulling
dealing in wool. It was further
posed to erect a plant in
with an annual capacity of
lbs. of wool in the grease, with
equivalent of from 400,000 to
yards, depending upon the
the material.

Two Rapidly Growing Public Utilities in the Province of Alberta

Whose Successful and progressive policies assure the Investor of Thorough Protection and every Safety

The Northwestern Utilities Limited, and The Canadian Western Natural Gas, Light, Heat & Power Co. Limited practically control the Natural Gas Utility Business in Alberta.

THE CITIES OF CALGARY AND LETHBRIDGE

and the intervening towns of MacLeod, Claresholm, Nanton, Granum, Stavely, High River, Okotoks, Brooks, and Parkland in Southern Alberta, are supplied with Natural Gas Service by the Canadian Western Natural Gas, Light, Heat & Power Company, Limited. Assets, irrespective of Gas fields, of over $14,000,000, controls Natural Gas Rights on a total acreage, in various fields, of 1,508,000 acres; also has contract with Royalite Oil Company for a supply of Gas from Turner Valley.

Gross Income, for 12 months ending August 31st, 1928, $1,837,542.

Increase in Consumers as shown:

Date	Number of Consumers
Sept. 30, 1922	12,318
" " 1923	12,566
" " 1924	13,009
" " 1925	13,662
" " 1926	15,288
" " 1927	16,478
" " 1928	18,009

THE CITY OF EDMONTON

and the surrounding Towns of Tofield, Ryley, Holden, Bruce and Viking, in Northern Alberta, are supplied with Natural Gas Service by the Northwestern Utilities Limited.

Total Assets of $6,800,000.

Controls entire acreage in proven gas field containing 70,000,000,000 cu. ft.

Gross Income, for 12 months ending August 31st, 1928, $959,690

Company has had a remarkable growth as shown by the following:

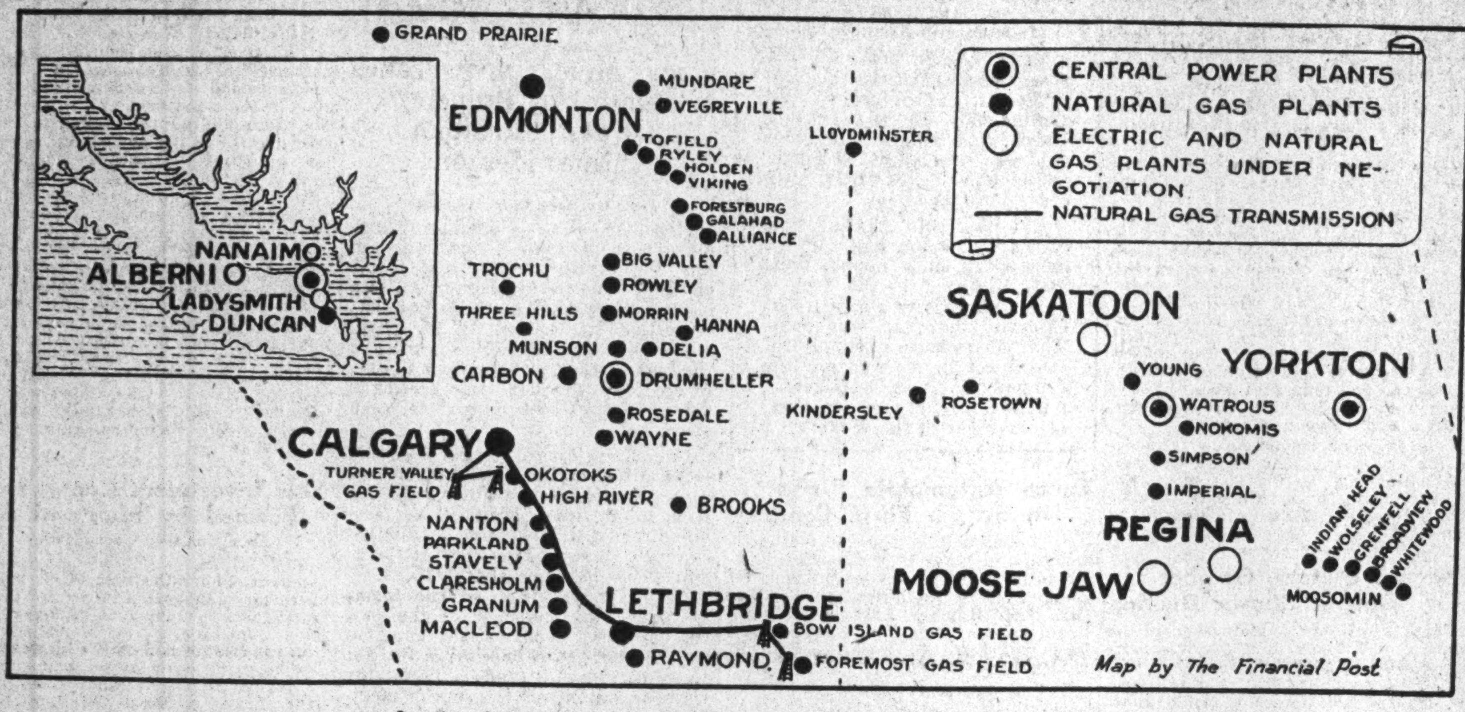
Date	Number of Consumers
December 31, 1923	1,880
" " 1924	4,875
" " 1925	6,247
" " 1926	7,273
" " 1927	8,030
September 30, 1928	8,313

Further Information Upon Application.

The Canadian Western Natural Gas, Light, Heat & Power Co. Limited
215 6th Ave. W., CALGARY, Alta.

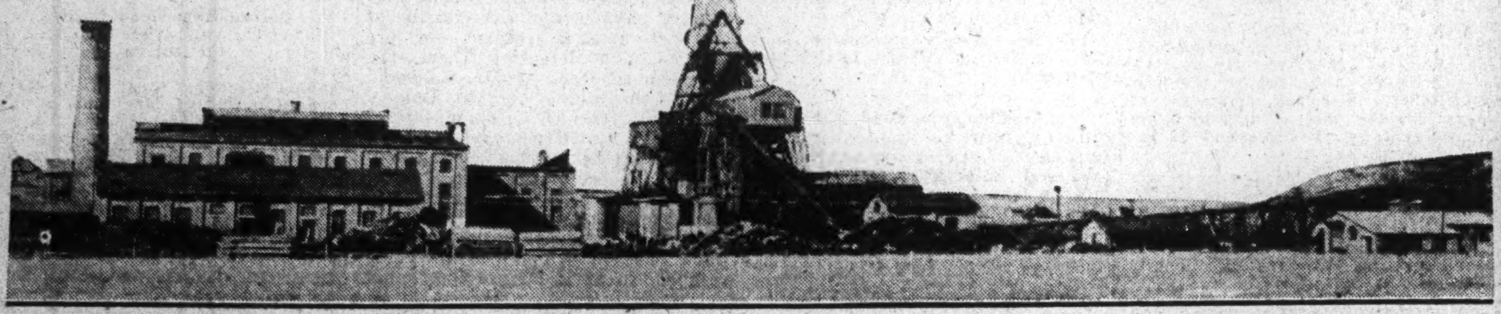
Northwestern Utilities Limited
10305 Jasper Ave.
EDMONTON, Alta.

Chart Shows Extent of Operations of International Utilities

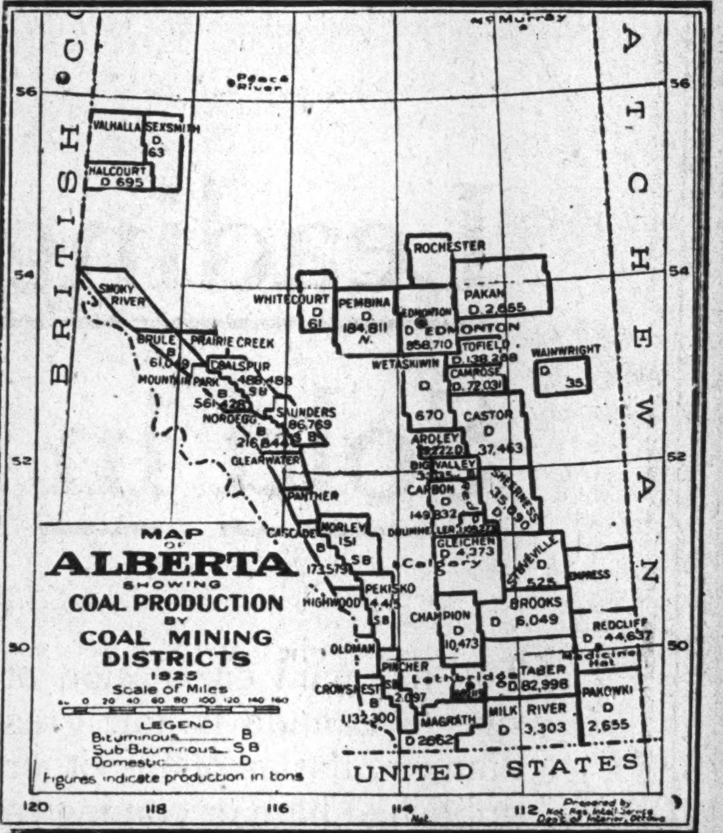

CENTRAL POWER PLANTS
NATURAL GAS PLANTS
ELECTRIC AND NATURAL GAS PLANTS UNDER NEGOTIATION
NATURAL GAS TRANSMISSION
GRAND PRAIRIE
EDMONTON
MUNDARE
VEGREVILLE
TOFIELD
RYLEY
HOLDEN
VIKING
FORESTBURG
GALAHAD
ALLIANCE
LLOYDMINSTER
NANAIMO
ALBERNI
LADYSMITH
DUNCAN
TROCHU
BIG VALLEY
ROWLEY
THREE HILLS
MORRIN
HANNA
MUNSON
DELIA
CARBON
DRUMHELLER
ROSEDALE
WAYNE
CALGARY
TURNER VALLEY GAS FIELD
OKOTOKS
HIGH RIVER
BROOKS
NANTON
PARKLAND
STAVELY
CLARESHOLM
GRANUM
MACLEOD
LETHBRIDGE
RAYMOND
BOW ISLAND GAS FIELD
FOREMOST GAS FIELD
KINDERSLEY
ROSETOWN
SASKATOON
YOUNG
YORKTON
WATROUS
NOKOMIS
SIMPSON
IMPERIAL
REGINA
MOOSE JAW
INDIAN HEAD
WOLSELEY
GRENFELL
BROADVIEW
WHITEWOOD
MOOSOMIN
Map by The Financial Post

Location of power plants, gas plants, etc., of this constantly expanding company.

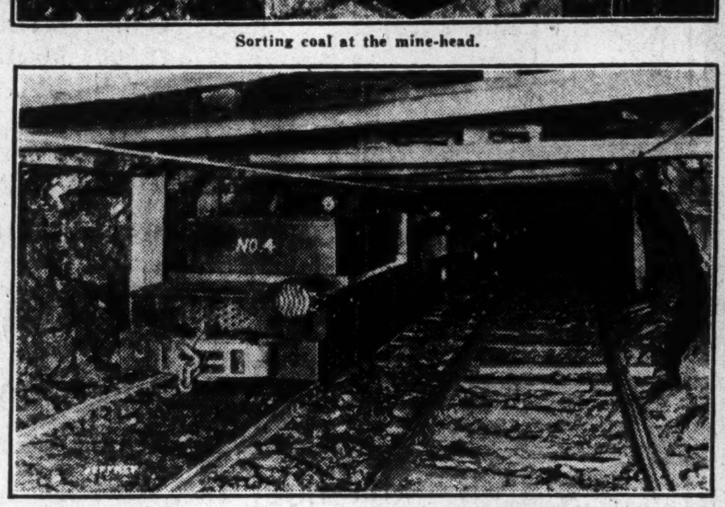
Scenes in Coal Mining Industry of Alberta



A modern coal mine in Alberta. The permanent character of the investment is well illustrated in this photograph.


MAP OF ALBERTA SHOWING COAL PRODUCTION BY COAL MINING DISTRICTS 1925
Scale of Miles
LEGEND
Bituminous B
Sub-Bituminous SB
Domestic D
Figures indicate production in tons
BRITISH COLUMBIA
SASKATCHEWAN
UNITED STATES
McMurray
Peace River
VALHALLA
SEXSMITH D 63
HALCOURT D 695
SMOKY RIVER
BRULE B 61,049
PRAIRIE CREEK
MOUNTAIN PARK B 561,428
COALSPUR 488,488 SB
NORDEGG B 216,844
SAUNDERS 86,769 SB
CLEARWATER
PANTHER
CASCADE
MORLEY 151 SB
B 173,579
PEKISKO 4,415 SB
HIGHWOOD
OLDMAN
CROWSNEST B 1,132,300
PINCHER SB 2,097
MAGRATH D 2,662
WHITECOURT D 61
PEMBINA D 184,811
ROCHESTER
PAKAN D 2,655
EDMONTON D 858,710
TOFIELD D 138,268
CAMROSE D 72,031
WAINWRIGHT D 35
WETASKIWIN D 670
CASTOR D 37,463
ARDLEY
BIG VALLEY
CARBON D 149,832
DRUMHELLER
SHEERNESS 35,630 D
GLEICHEN D 4,373
Calgary
STEVEVILLE D 525
EMPRESS
BROOKS D 6,049
CHAMPION D 10,473
REDCLIFF D 44,637
Medicine Hat
Lethbridge
TABER D 82,998
MILK RIVER D 3,303
PAKOWKI D 2,655
Prepared by Nat. Res. Intell. Service Dept. of Interior, Ottawa

Sorting coal at the mine-head.



Demonstrating the modern machinery in use in Alberta coal mines.

MCGAVINS BAKERY RECORDS STEADY RATE OF GROWTH

Market Area Extends From Coast to Saskatchewan

Operated many years as a private bakery, McGavins Limited, of Edmonton, recently became of public investment interest, when a group of Edmonton bankers undertook to refinance the company in order to provide additional capital to take care of new building and plant expansion.

The business was established in 1913 by the purchase of the bread business of James Stinson. At that time the company was operated under the name of McGavin Bros. A new plant was built in the following year. Capacity was doubled in 1916 and again in 1919. In 1920 McGavin Bros. took over the plant and business of C. W. Campbell, one of the pioneer bakers of Edmonton. The company was then reorganized under the title of Western Canada Bakeries, Ltd. Two years later a change was made to the present name—McGavin Limited.

Capital of the present company consists of $500,000 of common stock and $250,000 of 7 per cent cumulative sinking fund redeemable preferred stock. In both instances all of the authorized stock is issued.

At the end of last year the total tangible assets of McGavins amounted to $555,462. After deducting all liabilities except to shareholders, the net tangible assets were $455,647.

Earning Record Favorable

The earning record of the company for the past five years, has been favorable. Taking sales of the year 1923 as representing 100; the returns show sales in 1924 of 104.15; in 1925, 134.39; 1926, 147.04; and 1927, 179.55. Sales for January and February, 1928, show an increase of 21.76 per cent. over the corresponding months of last year.

Earnings have been well in excess of the $17,500 required each year for dividends on the preferred. Last year they were four times in excess of that figure. For the first two months of this year, net earnings show more than 30 per cent. increase over the same period of 1927.

During its fifteen years' of existence, McGavins has built a strong selling organization and has a goodwill value of considerable importance. Aside from the large trade developed in Edmonton, a sales organization has been built up from Prince George, in British Columbia, throughout all of Central Alberta to points in Saskatchewan, and from Stettler on the south to the Peace River country in the north.

ASSOC. BREWERS CONTROL PLANTS OF IMPORTANCE

Four Units Have Capacity of 350,000 Barrels a Year

Associated Breweries of Canada was established this year as a holding company for the Lethbridge Brewery, New Edmonton Brewery, Regina Brewing Company, and Prince Albert Breweries.

These constituent companies have been established in Alberta and Saskatchewan for many years and the quality of their products is well and favorably known. In each instance the breweries are of substantial construction and are equipped with modern machinery throughout, including necessary bottling plants, labelling and packing machinery, and have a total brewing capacity of 350,000 barrels per year.

In addition to the manufacture of beer, ale and stout, ginger ale and other carbonated beverages are manufactured.

The capital set-up of the new company, which has no funded debt, consists of $1,500,000 7 per cent. cumulative preferred shares and 400,000 shares of no par value common stock. Of this amount $1,500,000 of the preferred is issued and 195,145 shares of the common.

According to a recent appraisal depreciated fixed assets of the constituent companies amount to $2,193,561. Net current assets, after deducting all current liabilities and after giving effect to recent financing total $618,211. Total net assets, excluding the value which attaches to goodwill and other intangible items and after making due allowance for minority interest, amounts to approximately $3,254,076.

Net earnings on the constituent companies for the last two fiscal years ending March 31, after deducting all operating and maintenance expenses, taxes, profit depreciation and after setting aside a portion of earnings applicable to minority stock outstanding were $441,913 in 1927 and $379,468 in 1928, this is an average earning of $1.57 available for dividends on the common shares.

Trader's Building Bonds Backed by Business Block

Probably the first real estate first mortgage issue to be offered in either Alberta or Saskatchewan was that of the Trader's Building Company, of Calgary. At the moment there are about $45,000 for first mortgage bonds outstanding in the hands of the public and these are secured by a modern stone and brick building located at an important business inter-section of Calgary.

This property was acquired by Calgary interests at a very low figure a few years ago and by the expenditure of a comparatively small sum of money on renovations, etc., the building was brought up to date and quickly rented. It is understood that rentals for the past two or three years have exceeded the necessary interest requirements and that before long these bonds will be redeemed.

SPRUNG-CLINDININ EXPANDS RAPIDLY IN SHORT PERIOD

Calgary Concern's Speciality Goods Pleases West Trade

Satisfactory progress has been recorded by the Sprung-Clindinin Company since its organization two years ago. A modern plant is operated in East Calgary in which is installed all the machinery necessary in the business of manufacturing and completing leather coats and vests, leather and cloth sport jackets, overcoats, etc., and various lines of cloth garments.

The first six months of 1926 were occupied in organizing the business, training the necessary staff and in completing sales organization. During the latter half of the year, the company's business turnover was in excess of $59,000. For the past year well over $100,000 was done by the company.

Sales Outlets Developed

Although in actual business less than two years, the company has built up a satisfactory connection with over 500 merchants in the four western provinces.

The company was started privately by Calgary interests. In view of the rapid growth of business, it was decided to make a public offering of preferred stock in order to raise additional capital. Accordingly an issue of $30 000 7 per cent. cumulative participating preferred shares was offered. The authorized capital amounts to $80,000, divided into 500 common shares of $100 each and 300 non-voting preferred shares.

The rights of the preferred stockholders may prove valuable in time. After the payment of 7 per cent. on the common, the preferred share equally in respect to further distribution of profits.

STRONG FINANCIAL POSITION RECORDED

Saskatchewan Sets Example To Other Provinces in Dominion

Saskatchewan stands lowest of all the provinces west of Quebec in per capita ordinary receipts and ordinary expenditures and is the lowest of every province west of New Brunswick in the amount of annual interest payments and is lowest of all the provinces west of New Brunswick in the amount of its bonded debt. These statements are based on the financial standing of the province as at April 30, 1927.

Ordinary receipts for Saskatchewan for the fiscal year ending April 30, 1927, are given as $13,050,217 as against $11,592,758 for Manitoba, $12,263,400 for Alberta, $20,257,915 for British Columbia. The per capita figures show how Saskatchewan compares with the other provinces, per capita receipts being given as: Saskatchewan $15.61; Manitoba $17.92; Alberta $19.88; British Columbia, $35.23; Ontario, $17.67.

Ordinary expenditures for Saskatchewan for the fiscal year cited, are given as $12,962,216 as against $10,446,285 for Manitoba, $12,479,380 for Alberta, and $19,408,881 for British Columbia. The per capita figures based on these totals are: Saskatchewan $15.51; Manitoba $16.15; Alberta $20.23; British Columbia $33.75; Ontario $17.50.

Interest paid on public debt is one of the leading items of expenditure for all provinces, and the following figures show the amounts expended in 1927 by each province: Saskatchewan $2,160,378; Manitoba $3,859,648; Alberta $4,018,611; British Columbia $3,684,601; Ontario $19,344,779; Quebec $3,839,506.

Bonded indebtedness of the Province of Saskatchewan as at April 30, 1927, is given as $56,944,576. Manitoba's bonded debt at the same date was $67,293,827, while Alberta's, at December 31, was $90,890,457.

Edmonton Interests Finance Apartment

Willingdon Apartments Limited, of Edmonton, is one of the few apartment real estate enterprises to be financed in the West by a public issue of securities. During the past summer an issue of $60,000 of 7 per cent. cumulative participating preferred stock was put on the market. In addition, the company also has outstanding $50,000 of common stock.

Willingdon Apartments will be a three-story brick building situated in a good Edmonton residential district. When the building is completed, the entire project will have an appraised value of $190,000. A surety bond has been taken out to guarantee the construction of the building, while fire insurance will be carried to the full insurable value of the property.

It is estimated that gross annual revenue will amount to $27,660, and after allowing for operation, interest on mortgage, vacancies, there will remain a net income of $12,586.

—and another good year for

THE COMMERCIAL LIFE

	Increases 1927 over 1926	Increases 1926 over 1925
Business in Force increased	33.2%	9.4%
Assets	25.4%	22.2%
Reserves	29.3%	28.2%
Premium Income	25.0%	15.7%
Total Income	28.2%	7.1%
Interest Income	39.8%	26.2%

Average Rate of Interest Earned, 7.7%

Year	Business in Force	Assets	Policy Reserves	Premium Income	Total Income	Interest Income
1918	$ 184,000	$ 71,905	$ 11,825	$ 5,578	$ 11,278	$ 2,873
1920	723,000	109,699	29,763	22,586	53,444	5,968
1922	3,920,359	229,725	123,938	89,368	143,787	11,422
1924	5,754,629	400,866	312,463	156,998	195,791	15,181
1926	6,720,998	611,909	519,862	223,174	252,492	28,681
1927	9,044,361	767,490	672,091	279,055	323,747	40,102

BOARD OF DIRECTORS

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Consulting Actuary—C. C. Sinclair, Esq., F. A. S., Winnipeg
Agency Registrar—W. E. Smith, Esq.; Chief Accountant—H. E. Chillman, Esq.
Statistician—D. M. Robertson, Esq.

REGINA—J. A. Snider, Esq., Manager CALGARY—M. R. Morrison, Esq., Manager
SASKATOON—Thos. Murphy, Esq., Manager

If you are in an occupation that is not giving sufficient scope for your energy and ambition—consider the business of life insurance. Our Head Office Agency Registrar, the Managers of our Branch Offices, or any Head Office Official, will be glad to give your request for information, whether made personally or by mail, kindly consideration. We also want part time representatives in all districts where the company is not now represented, in Alberta, Saskatchewan and British Columbia.

COMMERCIAL LIFE ASSURANCE COMPANY
HEAD OFFICE, EDMONTON
Sound as the Dominion

PIONEER BOND SYNDICATE
LIMITED

A TEN-YEAR SYSTEMATIC INVESTMENT PLAN

Amount of Bond	Annual Payment	S. A. Payment	Quarterly Payment	Monthly Payment	Total Payment	Guaranteed Earnings	Guaranteed Return
$1,000	$ 74.00	$ 37.50	$ 19.00	$ 6.50	$ 740.00	$ 260.00	$ 1,000
1,500	111.00	56.25	28.50	9.75	1,110.00	390.00	1,500
2,000	148.00	75.00	38.00	13.00	1,480.00	520.00	2,000
5,000	370.00	187.50	95.00	32.50	3,700.00	1,300.00	5,000
7,500	555.00	281.25	142.50	48.75	5,500,00	1,950.00	7,500
10,000	740.00	375.00	190.00	65.00	7,400.00	2,600.00	10,000

ABSOLUTE SECURITY 5½% RELIABLE SERVICE

PROVINCIAL OFFICE - REGINA, SASK.

THE FINANCIAL POST

Unbiased Information

THE Financial Post has no investment interest in any company. Its purpose is to give unbiased facts on which the investor can form his opinions of a company in which he contemplates investing his money.

Our editors have channels of information which the private individual does not ordinarily have; they have files and records which give a complete history of the past earnings and present prospects of these companies.

Time after time in the columns of The Financial Post attention is drawn to companies whose securities are not receiving public attention. Mond Nickel, International Utilities "B," Lake Superior Corporation, B.C. Packers are, for instance, stocks first brought prominently to attention in The Financial Post.

If you are in the market or contemplate "stepping in" first invest $5.00 in protective insurance by subscribing to The Financial Post for the coming year.

Send me The Financial Post for the next........ months. I enclose $........

Name ....

Address ....

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Sample copies mailed on request.

Automobile Industry

AUTO PRODUCTION IN OCTOBER SHOWS SEASONAL DECLINE

But New Record Made for Month — Exports Increase

Automobile production in Canada during October was chiefly for export. Domestic and export business combined created a production figure that established a new record for October. The output totalled 18,536 cars of which 11,346 were for export and 7,190 for sales in Canada. This total is over twice the number of 7,748 produced in October, 1927, and well over the 14,670 produced in October, 1926, the previous record year in the industry. The October, 1928, output was valued at $10,580,997, as compared with $5,556,172 for the October, 1927 output. Due to the season of the year the October production shows a decline from the September output of 21,193 cars and the August total of 31,245.

October production figures showed an increase in the number of model passenger cars, to 3,765 from 3,506, the September figure. Chassis produced increased from 5,926 to 7,424. Closed models experienced a decline, dropping to 6,717 from 10,836. Production of trucks declined to 630 from 925.

For the ten months ending October 31, 1928, the production of automobiles in Canada shows a 31 per cent. increase in number and a 26 per cent. increase in value over the year 1927. The cumulative production for the period amounts to 221,188 cars having a sales value, f.o.b. plant, of $139,909,876 as compared with 169,331 cars valued at $110,736,126 during the corresponding period of 1927.

Of the total number of cars made this year 150,208 were made for sale in Canada and 70,980 for export.

Exports Increased—Imports Down

Exports increased during the month of October and imports declined. Exports totalled 9,755 as compared with 8,706 in September and imports numbered 2,460 as against 3,647. The apparent consumption of automobiles in Canada during October as determined by adding the imports of 2,460 cars to the 7,190 made for sale in Canada amounted to 9,650 cars. For the year to October 31 the apparent consumption, thus computed, totalled 195,213 cars.

Details of the classes of cars, value, etc., are:

Production of Automobiles in Canada

	Number		Selling Value F.O.B. Plant		Number		Selling Value F.O.B. Plant	
Class—	Oct. 1927	Oct. 1928	Oct. 1927	Oct. 1928	10 mos. 1927	10 mos. 1928	10 mos. 1927	10 mos. 1928
Passenger:			$	$			$	$
Total Open	1,279	3,765	729,462	1,609,896	35,791	36,785	17,719,716	16,813,841
Total Closed	4,508	6,717	3,781,345	5,055,302	95,280	127,187	75,651,449	94,964,143
Total Trucks	280	630	362,176	536,121	21,444	5,896	10,763,411	5,935,357
Total Chassis	1,680	7,424	680,692	3,379,678	16,796	51,276	6,493,622	22,125,478
Taxis & Buses	1	.....	2,497	....	20	44	107,928	71,057
Totals	7,748	18,536	5,556,172	10,580,997	169,331	221,188	110,736 126	139,909,876

Durant Gets Order from South America

Durant Motors of Canada will make a large export shipment to South America in January of 1929. Commenting upon this move, Roy Kerby, general manager of the company, stated that for some time they have been soliciting this business from their New York office and that an initial order had been received for the month of January only. During that month the South American business will be supplied by cars built and shipped from the Canadian plant at Leaside, to ascertain whether or not this business can profitably be handled from Canada.

The company's plant at Leaside has sufficient capacity to take care of this added volume, if the business is permanently secured for the Canadian company, The Financial Post is informed.

AUBURN INVADES LOW PRICE FIELD WITH NEW MODELS

Three New Lines Offered To Replace Previous Series

The Auburn Automobile Co. enters the low-priced field with a new line of cars designed to replace the 6-76, 8-88 and 8-115 models. As before the line offered by the company will comprise a six and two straight eights but the new cars will definitely place the company in the highly competitive low priced field.

The new six is a sport sedan known as the 6-80 and will be priced under $1,500 in Canada, it is said.

Among the features listed for the new six series are: Lycoming engine, seven-inch frame, hydraulic internal expanding four-wheel brakes, hydraulic shock absorber, cam and lever type steering, re-enforced body with plenty of leg and head room, special interlaced springs. Brewster non-glare windshield, low centre gravity, 120-inch wheel-base and Bijur chassis lubrication system.

The new model eight is listed as the 8-90 and the sport sedan is expected to sell in Canada at about $2,000. This model is equipped with a 90 horsepower straight eight Lycoming engine, using dual carburetor and dual manifolding. Wheelbase is 125 inches and the frame is of particularly strong construction.

Brakes are hydraulic of the internal expanding four-wheel type with extra compensation cylinder.

Hydraulic Lovejoy shock absorbers are standard equipment. Chassis lubrication is by central operation, the Bijur lubrication system having been chosen. Through its use 21 points on the chassis are lubricated with a single thrust on a floor board pedal.

The other eight of the line will be known as the 8-120 built to replace the 8-115. This new eight will be priced in the $3,000 class, it is said, and will be announced at a later date.

The new 8-60 and 8-90 are now in production and it is expected that they will be on display in Canada early in December.

Seiberling Rubber Gets Big Order for Argentine

Seiberling Rubber Co. of Canada has just signed a contract for export of tires to the Argentine, South America, that will increase annual production of its tires by more than 50 per cent. At the present time plant capacity is in the neighborhood of 1,000 tires a day, and the Argentine order will necessitate raising this capacity almost immediately to take care of 1,500 tires a day.

Under the terms of Seiberling's option on the K. & S. plant on Paton Road, Toronto, which it occupies pending final purchase under the three-year option, or possible abandonment of this site altogether, the problem has arisen as to where the increased output capacity could be secured. For the present, therefore, it has been decided to erect a temporary frame addition to the Paton Road plant; and in this addition will be installed the most up-to-date tire fabricating machinery, with the object not only of taking care of the new export business, but also generally speeding up production.

Tire sales of Seiberling of Canada during the fiscal year ended October 30, last, showed an increase of nearly 40 per cent. over previous twelve months, and aggregated approximately $3,000,000.

General Motors October Output Shows Decline

Sales of General Motors' cars to dealers in October were 120,876, compared with 167,460 in September and 128,459 in October, 1927. For the first ten months' sales were 1,727,778, compared with 1,562,748 in the full 1927 year.

Sales by dealers to users in October were 140,883, compared with 148,784 in September and 153,833 in October a year ago. Total for the ten months was 1,717,591, compared with 1,554,577 in full 1927 year.

Both retail sales and wholesale sales showed a decline from the corresponding month of 1927. This was at variance with the trend up to the first of October, which had shown an increase for the year of approximately 22 per cent. in wholesale and 24 per cent. in retail sales.

These figures include passenger cars and trucks sold in the United States, Dominion of Canada and overseas by the Chevrolet, Pontiac, Oldsmobile Oakland, Buick, La Salle and Cadillac manufacturing divisions of General Motors.

Algoma Steel Plants Operating at Capacity

From Our Own Correspondent

MONTREAL.—The Algoma Steel Corporation has received sufficient rail orders to run continuously to the end of March. The orders came from the two Canadian railroads and it is understood that other orders are pending.

The rail mill has been in continuous operation, for the most part on a double shift since October 1—the longest period of activity which it has enjoyed since the war days. The corporation's supply of coal is coming in well and the company is in a satisfactory position to carry on its operations through the winter.

Three Automobile Firms In Britain Form Combine

Announcement is made of the amalgamation of three of the leading British automobile firms under the name of Humber, Ltd. The firms are Commer Cars, Ltd., Humber, Ltd., and Hillman Motor Car Company, Ltd. The new combine will have an initial capital of £1,250,000 ($6,250,000).

Deliveries of Chev. Six Will Commence January 1

Production of the new Chevrolet has started at the General Motor plants at Oshawa, Walkerville and Regina. Cars will be shipped to dealers by December 15 and deliveries to the public will commence January 1.

The new models are priced from $510 to $925 f.o.b. Oshawa, Government taxes extra.

No Change at Gold Hill

HAILEYBURY. — Gold Hill has its drift out 45 feet each way on the 1,100-foot level. Mine Manager D. H. Angus informs The Financial Post there is little change from conditions reported last week. The east face carries values of $12 across five feet, while the west drift has not made commercial ore as yet.

HAVE IRONED OUT COMPLICATIONS OF SLOCAN COMPANY

Utica Mines Now Takes Control of Property From Canadian Mines Merger

From Our Own Correspondent

NELSON, B.C.—Canadian Mines Merger, controling Utica mine in the Slocan, has revised the terms of sale to the newly chartered Utica Mines. Canadian Mines Merger was organized by Colonel H. M. Armstead of Spokane and New York and the bulk of the stock issued was preferred. By the deal the preferred holders get 4 Utica common for each share held.

Canadian Mines Merger and old Utica Mines will be wound up. These consummations were among the objects sought when Judge W. A. Nesbit directed the holding of extraordinary general meetings of Canadian Mines Merger shareholders.

Credit for revision of the terms in respect to financing of the new company is given by shareholders to Hon. J. D. Chaplin, M.P., for Lincoln, who attended both the October and November sets of meetings, and in the interval between held direct negotiations in Toronto with Stobie, Forlong & Co.

For originally enlisting Mr. Chaplin in the fight against the Armstead terms of relinquishing by the old Utica preferred shareholders, of royalty payments of one-quarter of the net smelter returns on ore shipped, and defeating them, the credit is conceded to Mr. Caldwell. It was the taking over by Colonel Armstead, from O. C. Thompson, of a bond on the Utica, and his later proposal to be relieved of the royalty to the preferred stock in order to arrange a $300,000 bond issue in New York, that plunged the former silver-lead producer into the complications from which it is now being rescued, to at last have its chance for scientific exploration at the hands of large capital.

Sugar Refineries Have Better Future Outlook

From Our Own Correspondent

MONTREAL.—The Dominion Bureau of Statistics' figures covering the production of sugar in Canada for the four weeks period ending November 3 indicates some betterment in the situation surrounding the Canadian sugar refineries. For the period the companies produced 96,936,709 pounds as against 99,346,232 pounds a year ago.

The lower production of the refineries for the year, though, is seen in the figures covering production from January 1 to November 3. In 1927 the production was 851,269,426 pounds as against 783,015,495 pounds this year.

The outlook for the future appears to be a little better, as in October the imports of raw sugar were 6 per cent. greater than a year ago. The export market of the refineries is still stagnant, and exports for October were insignificant. In October only 3,400.000 pounds were exported as against 8,500,000 a year ago.

New Investment Company Formed by Montreal Men

From Our Own Correspondent

MONTREAL. — A new investment company, under the title of Morris Investment Management, for the organization and management of investment trusts and for acting as investment counsel, has opened offices in Montreal. The company is under the management of Royden M. Morris, who is also president. Leslie H. Boyd and B. K. Sandwell are vice-presidents of the company and David Williamson and D. M. Johnson are directors.

The company will shortly make an offering of the securities of a general investment trust to be operated under its management.

Record Homestead Entries

Homestead entries for the first three quarters of the current year, in the four western provinces, more than doubled in number those of the corresponding period of last year, at 9,533 compared with 4,605. Alberta led, with 5,476 compared with 2,031; Saskatchewan had 3,159 against 1,993; Manitoba 372 against 501, and British Columbia 526 against 80. September's total was 915 against 392 for the same month last year. Alberta leading with 500 against 175; Saskatchewan having 348 against 172; Manitoba 24 against 35, and British Columbia 43 against 10.

HEAVY STAKING IN ABITIBI AR

Prospectors Evidently Much Work Along Transcontinental in Ontario

By Staff Editor

HAILEYBURY.—Records of the Ti iskaming and Coleman Mining Divi at Haileybury indicate the northw section of Ontario is receiving increas ing attention from prospectors and ex ploration companies. The greater num ber of claims staked in the district du ing the past summer were located this area, in the townships extending along the Canadian National Railw Quebec-Cochrane-Winnipeg line, we from the Quebec border.

This ground lies north of Lake A tibi, and most of the claims staked w north of the railway. Montreal a New York interests have taken up co siderable ground in Adair Townsh along what is believed to be the co tinuation of the Abana strike. In St Township, Marbana Mines and a Nort Bay Syndicate are working. Sc Purvis Townships have also be staked. The geology would app most favorable for copper deposi although prospectors report gold, ver, zinc and lead values in associat with the copper.

ONTARIO GOLD OUTPUT

Production of gold from the mines of Ontario during October, w $2,789,427, which was the highest re ord for any month of 1928 with th exception of January. Both Porcupi and Kirkland Lake camps were up value as compared with September.

During October producing mines order of output were as follows: Po cupine: — (8) Hollinger, McInty Dome, Vipond, Coniaurum, Paymaste Ankerite and March Gold. Kirkl Lake:—(6) Teck-Hughes, Lake Sho Wright - Hargreaves, Sylvanite, Kirkland Lake Gold, and Barry-Hollin

Fresh Live Lobsters
60 cents a pound
Gallagher & Company
107 King St. East, Toronto
El. 9269

IMPERIAL BANK
OF CANADA
54th ANNUAL STATEMENT
Year ending October 31st, 1928

PROFIT AND LOSS

Dividends, 12% per annum	$ 840,000.00	Balance carried forward from last year	$1,272,929.81
Bonus, 1% per annum	70,000.00	Profits for the year ended 31st October, 1928, after deducting charges of management, auditors' fees and interest due depositors, and after making full provision for bad and doubtful debts and for rebate on bills under discount	1,459,472.30
Dominion Government Taxes	160,000.00		
Donations and Subscriptions	42,500.00		
Transferred to Reserve Fund	500,000.00		
Written off Bank Premises	500,000.00		
Balance carried forward	619,902.11		
	$2,732,402.11		$2,732,402.11

LIABILITIES

Notes of the Bank in Circulation		$10,460,590.00
Deposits not bearing interest	$26,995,095.15	
Deposits bearing interest, including interest accrued to date of Statement	91,130,756.74	
		118,125,851.89
Balances due to other Banks in Canada	$3,695,170.25	
Due to Banks and Banking Correspondents in the United Kingdom	22,293.07	
Due to Banks elsewhere than in Canada and the United Kingdom	713,647.07	
Letters of Credit Outstanding	1,108,925.45	
		5,540,035.83
		$134,126,477.73
Capital Stock paid up	$7,000,000.00	
Reserve Fund Account	8,000,000.00	
Dividend No. 153 (payable 1st of November, 1928) for three months at the rate of 12% per annum	210,000.00	
Bonus of 1% payable 1st of November, 1928	70,000.00	
Unclaimed Dividends	876.75	
Balance of Profit and Loss Account carried forward	619,902.11	
		15,900,778.86
		$150,027,256.59

ASSETS

Current Coin held by the Bank	$ 964,042.70	
Dominion Government Notes	8,157,966.00	
United States and other Foreign Currencies	176,042.30	
Deposit in the Central Gold Reserves	3,250,000.00	
Deposit with the Minister for the purposes of the Circulation Fund.	352,993.83	
Notes of other Banks	650,285.00	
Cheques on other Banks	9,995,586.46	
Balances due by other Banks in Canada	607,589.51	
Due from Banks and Banking Correspondents in the United Kingdom	487,381.09	
Due from Banks and Banking Correspondents, elsewhere than in Canada and the United Kingdom	748,036.55	
		$25,389,923.44
Dominion and Provincial Government Securities, not exceeding market value	$16,890,816.78	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities other than Canadian, not exceeding market value	6,174,314.98	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	104,821.22	
		23,169,952.98
Loans to Provincial Governments	$ 70,493.20	
Loans to Cities, Towns, Municipalities and School Districts	7,318,743.74	
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures and Bonds, and other Securities of a sufficient marketable value to cover	11,831,161.18	
Call and Short (not exceeding thirty days) Loans elsewhere than in Canada on Stocks, Debentures and Bonds, and other Securities of a sufficient marketable value to cover	6,600,000.00	
		25,820,398.12
		$ 74,380,274.54
Other Current Loans and Discounts in Canada (less rebate of interest), after making full provision for all bad and doubtful debts		67,356,565.72
Non-Current Loans, estimated loss provided for		127,610.36
Real Estate other than Bank premises		217,385.90
Mortgages on Real Estate sold by the Bank		579,130.43
Bank Premises, at not more than cost, less amounts written off		6,032,847.38
Liabilities of Customers under Letters of Credit as per contra		1,108,925.45
Other Assets not included in the foregoing		224,516.81
		$150,027,256.59

PELEG HOWLAND,
President.

A. E. PHIPPS,
General Manager.

AUDITORS' REPORT TO SHAREHOLDERS

We report to the Shareholders of the Imperial Bank of Canada:—

That we have audited the above Balance Sheet as at October 31st, 1928, and compared it with the books and vouchers at Head Office and with the certified returns from the Branches. We have obtained all the information and explanations that we have required, and in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In our opinion the Balance Sheet discloses the true condition of the Bank, and is as shown by the books of the Bank.

The above Balance Sheet does not include money which has been set aside by the Shareholders from time to time for the purpose of a Pension Fund.

A. B. Shepherd, C.A.
of Peat, Marwick, Mitchell & Co.
A. W. Cole, C.A.
of Macintosh, Cole & Robertson.

Toronto, November 20th, 1928.

Leading All Magazines Sold in Canada

The net paid circulation of MacLean's Magazine in Canada is now greater than the Canadian circulation of any other magazine, whether published here or coming from any other country.

Latest statements issued by the publishers show the following Canadian circulations:

Saturday Evening Post ....126,000: MacLean's tops this by 22,000
Ladies' Home Journal....124,000: MacLean's tops this by 24,000
Pictorial Review ....131,000: MacLean's tops this by 17,000
McCall's ....130,000: MacLean's tops this by 18,000
Cosmopolitan ....57,000: MacLean's tops this by 91,000
Red Book ....31,000: MacLean's tops this by 117,000
Collier's ....44,000: MacLean's tops this by 104,000
Liberty ....41,000: MacLean's tops this by 107,000

The net paid circulation of MACLEAN'S MAGAZINE as shown by the completed figures for the October 1st issue is now

148,000 COPIES

and there is every indication that these figures will be exceeded by the sales records for October 15th, November 1st, and all following issues.

READY NOW
THE ISSUE OF DECEMBER 1st
presenting:

MEN WILL KILL FOR WHISKY: *The peril along the border presented by bootlegger thugs.*
By Frederick Edwards

WHAT I LEARNED FROM EUROPE: *A Canadian Statesman's viewpoint.*
By Hon. G. Howard Ferguson

OTTAWA-VANCOUVER IN THIRTY-TWO HOURS: *The story of the first trans-Canada air flight.*
By Aubrey F. Roberts

THE MYSTERY OF NUMBER NINE: *Commencing a thrilling detective serial.*
By Leslie McFarlane

"CANADA'S ANSWER"
The second of the fine full color reproductions of Canadian War Pictures in the Canadian National Gallery. This picture is by Norman Wilkinson, R. I., and shows the departure of the first Canadian Contingent in 1914.

And 16 Other Articles and Stories

MACLEAN'S
"CANADA'S NATIONAL MAGAZINE"

Now on the Front Counter of Every Newsdealer and on all Canadian Trains 10¢

CANADIANS TO-DAY PREFER MACLEAN'S TO ANY OTHER MAGAZINE FROM THIS OR ANY OTHER COUNTRY

Common Stocks as Key to Investment Success

Especially for Young Men, Ready to Bank on Canada's Future, Well Diversified Junior Securities are Attractive

By FLOYD S. CHALMERS,
Managing Editor, The Financial Post, in address to Montreal Advertising Club

There is no absolute secret for making a million in the stock market. People often believe that those who are actively engaged in financial work ought to get rich quickly because they pick up so many "tips." It does not always work that way. Two things must be present before you can make money out of a tip on the market. One is that you should have the money to play with. The second is that your tip should be correct.

A tip on the market is a queer combination of information and opinion. I think Josh Billings was the man who remarked that "the trouble with a lot of people is that they know so many things that ain't so." People who give you tips are in that class.

Tips Are Mostly Opinion

It is of course often possible to get valuable information on securities, sometimes information that is not generally known. But it is remarkable how many times the market fails to respond to what might be considered bullish information; and it is remarkable how much news "straight from the feed box" is not news at all, but somebody's propaganda.

Tips are really about 90 per cent. opinion. The man whose opinion on a stock ought to be the best is any one of the higher executives of the company. They are not always the best persons to judge of the value of their own securities. I could quote instance after instance where the heads of important corporations have tipped off their friends that their stock was away too high and was a sale. And I have seen the same stocks continue to go up and up thereafter. The executives were too close to the picture to realize just how valuable their stocks were.

Back Fundamental Values

Fundamental values are much more important than stray bits of gossip; the average investor will make a great deal more money buying for the long pull than buying for a quick turn. During the past few years those who have bought for the long pull have made much more money than those who bought for the quick turn, and they have made it quickly. I am in a little group that has been investing some considerable sums for a couple of years. We have found that we have made more money quickly by buying into stocks that we thought were not going to move very quickly than we have made in buying into stocks that we had reason to believe might show some action at once.

A Young Man's Investment Plan

There is no absolute secret for making money in speculation or investments. But I should like to outline a scheme of investment that I am convinced will fit the needs of the younger business men of Canada today, and that over a term of years should lead to very satisfactory results in the way of both income and profit. The method has the endorsation of many leading investment authorities; it is in tune with the times and it enables one to invest in the future of this Dominion.

It is to concentrate on the common shares of the leading companies in our basic sources of national wealth.

Common Stock Theory

Investment has broadened out in the years since before the war. The word investment no longer suggests only bonds or preferred stocks, or mortgages on real estate. Common stocks, apart from railway stocks and a few other specialized classes, were not widely held by investors before the war. They were held by the executives of the business represented or were a medium for stock market speculation among professional traders. Ideas have changed. Even those who are primarily investors, buying for income rather than for profit, have lost some of their absolute faith in bonds and mortgages. The revolt in economics has shown that bonds and mortgages can bring loss to the investor. The changes in price movements and interest rates that have followed the war—and in fact that preceded the war over a long term of years—seriously affected the position of holders of fixed income return securities. The war was only the culminating point of a long movement.

Relationship of Price Levels

It was seen that there is some sort of relationship between the prices of commodities and the prices of securities. Commodity prices rose for many years and interest rates went up with the natural corollary that bond prices dropped very seriously. The investors' revenue remained fixed while his capital declined. But while this was going on, common stocks generally were rising. Rising prices were accompanied by a broad upward sweep of trade and business that carried equity values higher and higher. Even preferred stocks proved to be less valuable than common stocks on the whole. The classic example, for which I am indebted to a booklet by David Cowan, of the Sun Life Assurance Co.'s investment department, was in a Berlin railway line. After the war, when the mark became hopelessly inflated, the directors declared a dividend of 500,000,000,000 per cent. on the common stock, restoring it to several times the actual pre-war value. But those who held the preferred stock continued to receive their dividends in paper marks and thus received an income that was one sixty-trillionth of their actual pre-war income. The senior securities were in reality wiped out, while the junior security, which was based upon the tangible values of the railway and its assets, which could not be destroyed by currency inflation, benefited from increase in property values and also from the wiping out of the senior securities.

Neither Fish Nor Fowl

It must not be forgotten that a bond represents a debt, while common stock represents ownership. Preferred shares are neither fish nor fowl, unless they have some special convertible or participating feature.

The broad upward sweep in common stocks over a long term of years has, of course, done a great deal to create a sentiment in favor of such securities. I think it still holds good that common stocks will continue their upward movement. I am speaking of the long term. Any reaction in security prices—and reactions are inevitable—would wipe out a portion of the present values. This would be made up again in time. Diversification between different companies and between different classes of industries would prevent the break having any fatal effect upon one's investment list.

Be Prepared for the Break

When you buy common stocks you should always be prepared for a break in prices. You have to be a sort of optimist, fearing the worst. But you should buy for the long pull.

The investor who buys a well-diversified list of selected common stocks, representing the foremost well-managed industries, will in time see his capital increase. The net result will probably, I am tempted to say undoubtedly, be better for him than buying bonds. But this is a long term proposition and when the investor buys such a list of common stocks at high prices he faces the chance of seeing his book values shrink anywhere from 20 to 35 per cent. or perhaps more from the maximum price. If you are an out-and-out investor, not fitted by temperament to stand by while the book values of your securities shrink very greatly and while perhaps a few dividends are passed, you may switch back to bonds and take your loss. If you figure that you are going to do that, then buy bonds to-day and save yourself from the temporary loss that is likely to come and that you will convert into a permanent loss by selling out at low prices. But the investor who sticks it out with his common stocks through periods of depression will come out ahead eventually. The point is that many investors will not see their good investments through.

Sun Life Shows Way

T. B. Macaulay, president of the Sun Life, Canada's most important investor in common stocks, recently indicated that it was his opinion that the person who bought well-selected common stocks to-day would eventually be the gainer but he clearly stated that in his opinion the stocks would have to be carefully selected and that many of them would have to be carried through a declining market. Yet I doubt not that the Sun Life is to-day and at present prices buying certain common stocks.

Various persons have studied the common stock theory in the light of the wide fluctuations that are part of the long term trend. One man who made a study of more than fifty years of stock price levels went back and made theoretical purchases of common stocks over different periods of rising and falling prices, prosperity and depression, inflation and deflation, and found that in nearly every one of his experiments, the common stock holder, where he had proper diversification, fared better than the bondholders.

A Canadian Experiment

I have done a little bit of experimenting myself to see what one could have accomplished in the past five years if one had given practical application to this theory. Our rule, remember, is to buy into the leading companies in our basic industries and businesses.

In November 1923 the leading industries of Canada in order of importance were:

Pulp and paper
Milling
Lumbering
Packing
Dairies
Automobiles
Cotton textiles
Sugar refining
Castings and forgings
Railway supplies
Rubber goods
Electrical apparatus
Publishing
Baking
Knit goods
Boots and shoes
Oil refining
Steel products
Woodworking
Women's clothing
Job printing
Sheet metal
Brewing
Machinery
Furniture
Agricultural implements
Men's furnishings
Fish packing

Adjusting Our List

Let us see what would have happened if we had invested in the leading companies in each of these industries. Immediately we face certain limitations. The list is not well classified, having been taken from the government census of manufacturing industries which must be a little arbitrary in its divisions. We have to adjust our list somewhat. For instance, grouping the different cotton textile industries, the steel industries and dividing the pulp and paper industry into its two major classifications of newsprint paper and higher grade papers. We find too that it was not possible for the investor to have made an investment in all of these industries at that time. There was, for instance, no outstanding tire company whose shares were generally available in Canada in November, 1923. Goodyear Tire common, for instance, has only been before the investor for three years. In that time its rise has been sensational. You could not have bought into a major lumbering or printing and publishing house.

Other Types of Business

We have to consider too that there are other valuable types of enterprise, banking, insurance, mortgage lending, fiduciary work, railways, steamship lines, the grain trade and mining, the latter of which in turn divides into different classes. In drawing up a list of common stocks, based upon what was possible to the investor five years ago this month we can set down 35 major classifications of basic industries and classes of business and we can set down the leading companies in these groups.

What is a basic business? Let us disabuse ourselves of the notion that it is a business supplying an essential staple commodity in the field of shelter, food and clothing. This is a well-to-do land we live in. Canadians, with the increase of their individual wealth are acquiring a luxury sense. Frugality has virtually been abolished in most of Canada. People have the means to gratify tastes that go beyond the mere instruments of existence. In times of stringency, people will curtail their extenditures while continuing to buy their normal amounts of essential commodities. Nevertheless we should be very careful in putting any product or service in the staple class or the luxury class.

Are silk stockings a luxury? Perhaps so but they are basic to our civilization to-day.

What about the movies? Automobiles? Radios? Magazines? Advertising? Are each of these basic? They may not be staple but they are, in the main, stable. They are part of our well established civilization and so long as they keep pace with that civilization they will remain part of it.

Describing Basic Business

I would consider a basic business to be one that over a term of years has proven itself as fitted to the Canadian scene, able to thrive here; particularly would I include those industries that are backed by natural resources that give this country a position of dominance.

What is a leading company? Not always the largest. The investor must consider other things. The largest company may be at the moment badly managed. It may be privately owned like Molson's Brewery, the T. Eaton Company or as the Dominion Rubber system and Canadian General Electric for practical purposes are to-day. Public good will plays an important part in determining what is the leading industry in a field. Good merchandising — and this includes well handled advertising — plays an important part in determining what is the leading company in any field.

No Hand-Picked List

Now I am going to give you the list of companies which I selected as the ones we would have invested in in 1923. This is not the way to select your companies. There are companies here that I would not have bought into then. But I have chosen the companies in this very arbitary fashion because I want to avoid the charge that I made up a hand-picked list based upon subsequent results. I want to prove my point that it is hard to go wrong on the general principle of buying the common stocks of the leading companies in basic businesses. If in November, 1923, I had handpicked the stock exchanges to make up a list it might have varied in some particulars. The results might have been better, they might have been worse.

Here are the companies whose common shares we have theoretically bought as of November, 1923:

Industrials	
Pulp and Paper Industry:	
Newsprint	Spanish River
High grade paper	Howard Smith
Milling	Ogilvie
Packing	William Davies
Automobile	Ford of Canada
Cotton	Dominion Textile
Oil refining	Imperial Oil
Sugar	Atlantic Sugar
Steel:	
General	Steel of Canada
Rolling stock	Canadian Car
Bridges	Dominion Bridge
Farm implements	Massey-Harris
Baking	Canada Bread
Knit goods	Penman's
Tobacco	Imperial Tobacco
Brewing	National Breweries
Distilling	Can. Indus. Alcohol
Fish packing	B. C. Fishing
Paints	Sherwin-Williams
Public Utilities	
Power:	
Retail	Montreal Power
Wholesale	Shawinigan
Telephone	Bell Telephone
Gas	Consumers' Gas
Tramways	Montreal Tramw'ys
Transportation	
Railway	C. P. R.
Steamships	Canada Steamships
Merchandising	
Retailing	Hudson's Bay Co.
Grain trade	Alberta Pacific
Dairy	City Dairy
Finance	
Bank	Bank of Montreal
Trust company	National Trust
Loan company	Canada Permanent
Life ins. company	Sun Life
Mining	
Gold	Hollinger
Silver	Nipissing
Zinc-Lead	Cons. Smelters
Asbestos	Asbestos Corp.
Nickel	Inter. Nickel

What were the results, assuming that one had not attempted to alter list in any way but had held on to the stocks for the entire part. I have worked this out on a diversified investment of only $5,000 in these companies in November, 1923.

$5,000 so invested in November, 1923. The securities not touched in the meantime and all bonusses and dividends drawn out and all "rights" sold in the market for cash instead of being exercised would to-day be worth $16,890

$5,000, if all dividends and bonusses had been reinvested in the same stocks and rights taken up would to-day be worth 21,972

But most people who had $5,000 to invest in November, 1923, have probably been saving and investing additional sums since. Let us assume that at the end of each year an additional $1,000 was put in to the fund and invested in the same stocks along with dividends, bonusses, etc.

The $5,000 plus $4,000 so invested would to-day be worth $32,160

Now many young men are not content to buy on such a conservative plan as this. I know of many instances where many have bought securities outright, taken them to the bank and gotten a loan up to half their market value and invested this amount in securities. From time to time as the securities advanced they have increased their loan always maintaining a comfortable margin. I have worked it out to see what we would have to-day if we had done this. The loan was never more than fifty per cent. of the value of the securities and during most of the period was much less since the securities advanced fairly steadily, while our loan was increased only at the end of each twelve month period.

The $5,000 plus $4,000 so invested, and after paying 6 per cent. interest and deducting the amount finally owing the bank would be $60,733

Now if that is not talking big money I should like a better definition offered to me.

Actual Results Often Better

Of course you say that is a theoretical list. I will say this; with thousands of good Canadian investors the results of their investments have been much better. Not five years ago but a little over three years ago I bought a house. To make the initial cash payment required I sold some stocks. I came across the brokers' notification slips the other day. I sold Bell Telephone at 135. It is to-day 170. I sold Canada Cement at 90. It was last year bought out for 250. I sold Brazilian Traction at 51. To-day's equivalent value is around 300. The house I bought with the money I raised by this slaughter of the innocents is worth to-day less money than I paid for it. The moral is obvious. It's cheaper to pay rent—in a rising market.

"He who looks back will die of remorse."

Would Have Changed Some

I do not think we would have continued to hold all of these stocks. We would have sold out of some and bought into others. We probably would have been out of our silver stock long ago; perhaps out of our newsprint stock. We probably would have bought into such companies as Goodyear Tire, Page Hersey, Christie Brown, etc., when they came on the scene. If we had been very smart we would have done better for ourselves. Just to show what I mean I will show you the present value of a $1,000 investment in each company disregarding entirely dividends, bonusses, stock rights, etc.

International Nickel	$19,000
Sun Life	15,000
Consolidated Smelters	5,000
Dominion Bridge	8,500
B. C. Fish	7,300
Massey-Harris	7,200
City Dairy	6,200
Alberta Pacific Grain	5,100
Ogilvie Flour	4,700
Canada Bread	4,250
Canada Steamships	3,600
Imperial Oil	3,750
Montreal Power	3,285
Steel of Canada	3,250
Shawinigan	3,000
National Breweries	2,850
Can. Industrial Alcohol	2,600
Howard Smith	2,250
Penman's	2,050
Wm. Davies	2,000
Dominion Textile	1,875
National Trust	1,860
Imperial Tobacco	1,855
C. P. R.	1,759
Sherwin Williams	1,620
Bank of Montreal	1,600
Ford of Canada	1,600
Bell Telephone	1,320
Spanish River	1,250
Can. Permanent Mtge.	1,200
Montreal Tramways	1,200
Consumers' Gas	1,150
Hudson's Bay Co.	1,000
Canada Car	1,000
Atlantic Sugar	910
Hollinger	840
Asbestos Corporation	660
Nipissing	450

No list of securities, even the best list, can safely be forgotten. The old formula about buying stocks and putting them in the bottom of your trunk is only partly true. It certainly is not safe to make a general rule of it. Investments must be watched continuously. Fortunately there is more sound, up-to-date investment information available to-day than ever before and more advantage is being taken of such information. On our own paper, our circulation has tripled in about seven years and doubled in the last two.

Cheap Stocks in Their Turn

What about speculating in cheap stocks? Many people have made money out of buying issues that looked very cheap; buying into an industry in the doldrums and waiting for the turn; out of straight speculations. There is room for speculation in practically every investment program. Let me merely suggest this. If you will stick to the leading companies for a while, you will acquire a background of information and an investment sense that will enable you to recognize values and make your speculations more profitable. Tips are useless; a knowledge of fundamental conditions in the industry is important. Management, you should always look into. When you buy into such industries—like newsprint to-day—you must be prepared to wait for the big returns. It is not always possible to buy at the bottom. You must be patient and not over anxious when you think you are right. You must be just as quick to sell out when you have made a mistake.

Taking Profits Advisedly

Many people sell the stocks on which they have made a profit to buy others. They hold the stocks that have showed them a loss instead of waiting for the turn. Now I admit that I seem to be killing off another old adage here; the theory that you never go broke taking profits. I know that I personally took profits on a few stocks this year and promptly lost the profit investing in something else. I bought Mond Nickel at $9 a share and sold at $13 a month later. If I had held one year, I'd have made $55 a share at least. The money I made is now gone. I think it is better to hold stocks that have done well by you, so long as they promise to continue to do well by you, and sell those that have lost you money, if the latter give no promise of immediate improvement. Consider your holdings as you would the making of new investments. If you would buy into a company stay in it; if you would not buy a stock to-day, then sell out of it.

Now I know what you have all been saying; that it was easy to make money in the past five years. What about the next five years, you ask? I am not going to say that stock prices in Canada will advance as much in the next five years as they have in the past five years. Nor am I going to say that they will not. Consider a few prices:

Montreal Power is 110 to-day. Will it look cheap five years from now?
Or Imperial Oil at 95?
International Nickel at 225?
Goodyear Tire at 200?
Page Hersey at 115?
Ogilvie Flour at 470?
C.P.R. at 250?
Royal Bank at 390?

Canadian and American Stocks

Canadian stock markets may be much ahead of where the United States market was a few years ago. Some people say that Canadian stocks relatively are higher than American stocks. I have too much faith in what the next two decades will bring forth in Canada to believe that. Four years ago I recall that people thought a crash was coming in New York. General Motors was 67. It has been split twice since and the present equivalent price is $435 a share.

Now do not run away with the idea that I am all against bonds and preferred stocks. A certain amount of securities that can be turned into cash in an emergency and to prevent the dumping of common stocks in a period of deflation should be in every investment list.

Nor do I say to buy your common stocks and forget them. Watch them; study them; switch when you feel you ought to.

Speculation in Its Place

I am not saying that you should not speculate. A great deal of money can be made by buying into deflated industries. Some folks are going to make a lot of money in newsprint stocks some day.

But I think I have shown that established common stocks form the best investment for younger business men who are looking to a fairly distant future in any investing they do.

Note the profits that came to us in our theoretical investment of November, 1923, through adding a certain sum yearly to our fund and reinvesting all profits. That is the secret of getting rich through moderate savings and investments; it is to start with some sum, however small, add to it regularly every week, every month or every year, never draw out any of the dividends or profits, but allow the whole thing to accumulate and compound at a good rate of return until your wealth increases at a snowball's pace.

Have Faith in Canada

Have faith in Canada and show it in your investments. Investing in common stocks of Canadian corporations is investing in Canada's tomorrow. See your country through dull times and good and forget that there was ever a whisper of death.

If Canada goes ahead your savings will increase rapidly if they have been distributed carefully along some such lines as I have indicated.

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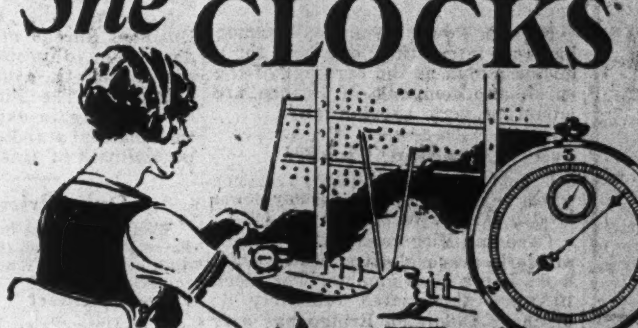

She "CLOCKS" the Telephone

THIS YOUNG LADY'S JOB is to "clock" the telephone service. She sits there with her decimeter stop watch and measures to tenths of a second the time taken to complete a call. Other "clockers" record the errors made, the speed with which "trouble" is repaired, all the items of telephone efficiency.

If speed and efficiency are not constantly on the climb these are the people who know it first and then there is a grand hunt to find out what's gone wrong.

It is a good game. It gets results. That is why your telephone serves you better this year than it did last year, and next year will serve you better than now. That is why it has contributed its share to Canadian progress.

FOR EXAMPLE, seven years ago the average interval from the time you lifted your telephone receiver until the operator answered was 5.1 seconds. Today the clocker finds the interval cut to 3.7 seconds. Tomorrow it will be still less.

Seven years ago there were 95 slow calls in every 1,000—a slow call being one in which the operator takes ten seconds or more to answer. Today there are only 33 in every thousand.

The number of errors of all kinds has been reduced from 40 in every 1,000 calls to 16, which is over ninety-eight per cent perfect.

FIVE YEARS AGO you ran 27 chances in every 1,000 calls of getting the wrong number. That is down now to 13 chances in 1,000, or nearly 99 times out of the 100 right.

There are only two chances in a thousand now that you will be cut off. There were five chances in a thousand, five years ago.

There used to be eight times in a thousand calls when you would break in on somebody else's conversation. Now there are only two such double connections per thousand.

THERE ARE "CLOCKERS" at work in other directions too and here are some of the things they have recorded.

The time taken to repair "trouble" on a line now has been cut to one-third of the time taken five years ago.

The time taken to install a new telephone used to be three hours and forty-five minutes. It has been cut now to one hour and forty-five minutes. That means something in hours saved, with 139,000 telephones installed in Ontario and Quebec this year.

PRETTY GOOD results. But the clocker isn't satisfied. Nobody in the telephone business is ever satisfied with today's mark. The system tomorrow must always be better to keep pace with the Canada of tomorrow.

Published by The Bell Telephone Company of Canada to tell you something about the telephone business and the people in it.
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New York Motor Show

The 29th National Automobile Show will be held in New York at the Grand Central Palace, January 5 to 12, 1929. The show, which is arranged by the National Automobile Chamber of Commerce, attracts a large number of automobile men from many countries. The international aspect of the show receives attention January 7, which has been set aside as International Day, and a special programme of welcome arranged.

Your Investments

Canadian Pacific

My broker says C.P.R. is a jolly good purchase at the moment. How do you regard the shares? Is there any chance of them declining?

C. P. R. appears to be an excellent investment stock for a long hold.

Associated Breweries

Do you regard the new issue of Associated Breweries favorably?

Yes, Associated Breweries preferred with its bonus of common looks to be a satisfactory issue in the brewing class.

Imperial Tobacco

I want a sound investment stock and have placed an order with my broker to buy Imperial Tobacco at $10.50 a share. Is this a good idea?

Your idea of purchasing Imperial Tobacco common at $10.50 appears excellent to us—providing you get it.

McColl-Frontenac

Before buying McColl-Frontenac common, I want your views on the shares, please.

In our estimation McColl-Frontenac Oil even at present prices is an interesting long hold speculation for a business man with a diversified list of such holdings.

East Kootenay Power

I hold some East Kootenay Power preferred. I am not particularly satisfied with it. How is the company doing and how do you regard the shares?

The East Kootenay Power Company is beginning to make real progress and we believe the investment position of the preferred shares is strengthening.

Two Power Stocks

In your opinion which is the better purchase at the moment, Quebec or Shawinigan?

We are inclined to feel that Quebec Power is the better purchase for say a hold of six months to a year. However, this is only an opinion. Both stocks are sound investments. Either one is apt to appreciate first.

Foreign Power

I am thinking of buying Foreign Power Securities common. I can afford to go into semi-speculative issues. What do you think about buying this one?

Foreign Power Securities common looks an interesting long hold for a business man as the earnings of the subsidiary company in France are mounting very substantially.

Canadian Vickers

I hold Canadian Vickers common which I bought at considerably lower levels. Is now the time to sell out?

Canadian Vickers stock at present prices is a speculation. However, it looks like a good gamble. The stock has not appreciated relatively as much as Dominion Bridge has over the past year and Canadian Vickers operates along lines similar to Dominion Bridge.

Perfection Glass

I am the holder of a block of shares of Perfection Glass. Please let me have your views on the stock so that I may determine whether or not I shall hang on or sell.

Perfection Glass is an out and out gamble. We are inclined to feel that over a year or two the company may make some substantial progress. It is only a gamble though; you will have to regard it as such.

Canadian Converters

On my broker's advice I bought a block of shares of Canadian Converters. Now people tell me that the shares are not particularly attractive. Would you let me know, please, how you regard the future prospects of the company?

Canadian Converters is a slow moving stock, but over a year or two we believe that the earnings of the company should steadily tend to increase.

Canadian Celanese

I am a business man and can afford to take a few flyers. Do you think I would be wise in bouncing into a few shares of Canadian Celanese preferred as a hold for, say a year?

Canadian Celanese preferred only looks to be fairly attractive as a purchase for a business man. If included at present prices in a well diversified list of speculative holdings it is a satisfactory issue. The shares at present are of course a speculation.

Industrial Alcohol

I bought some Canadian Alcohol shares at 40 recently and I propose to sell them as soon as possible at 50. Is this a good policy? Is the stock a good speculation?

We do not know if Canadian Industrial Alcohol will touch fifty in the immediate future. Nevertheless, as a year's hold, the stock looks very attractive to us. In our estimation it is certainly one of the most attractive long hold stocks for a business man in the distilling field.

Donnacona Paper

I have some Donnacona Paper common which I propose to hold for two or three years; is this wise?

Donnacona Paper common is of course an out and out gamble. As the company has good contracts, though, its market action during the next year should be fairly satisfactory as compared with the action of any of the other newsprint stocks. However, you must remember that the outlook for the whole industry is decidedly speculative at the present time.

Dominion Iron

As Dominion Iron and Steel is not in the Besco merger, is not the outlook for the preferred shareholders of the company improved?

You say that the Dominion Iron and Steel did not go into the Besco merger. This is not correct. The Dominion Iron and Steel is a component of Besco. Earnings have not been sufficient to meet bond interest requirements and the outlook for the preferred shareholder, in our estimation is most unattractive. The company is now being operated by the receivers and doubtless when a reorganization of Besco is formulated the holders of the preferred stock of the Dominion Iron and Steel will have their holdings scaled down substantially. You can expect but little in the forthcoming reorganization.

Sterling Trusts Corp.

I would appreciate receiving some information regarding the financial position of the Sterling Trusts Corp. together with an expression of opinion as to whether their guaranteed certificate would be considered a safe investment for trust funds.

The conditions of the Sterling Trusts Corp., steadily is improving, and we believe that your client safely may invest in the guaranteed investment certificate of this corporation.

Sterling Trusts has been making good progress in the last several years.

Wants 5½ Per Cent.

Name five or six bonds which you would recommend yielding better than 5½ per cent. on the average.

Winnipeg Electric 6's of 54, yielding 5.7 per cent.

Montreal Coke and Mfg. 5½'s of 1947 yielding 5.33.

Fraser Company 6's of 1950 yielding 5.87.

Canada Steamship Lines, 6's of 41, yielding 5.66.

National Breweries, 6's of 1939, yielding 5.6 per cent.

Ogilvie Flour, 6's of 1932 yielding 5.71 per cent.

General Steel Wares

I bought General Steel Wares at 37 and ever since have been waiting patiently for it to come back. Do you not think I should sell out now and take my loss?

While at the moment you have a loss on your General Steel Wares common, we cannot advise you to sell it. Our information, coming from informed sources, leads us to the belief that the company is making steady progress and that the stock is now selling at figures not commensurate with its present earning power,—that is, on a comparative basis with other similar stocks.

Wright Automobile

I have holdings in the Wright Flexible Axle Automobile Company and am considering increasing my investment in the company. Before doing so, though, I would appreciate hearing your views of the undertaking.

We regret to learn that you are financially interested in the Wright Flexible Axle Motors. In our estimation this company has not a chance in the world of succeeding.

Moreover, the Financial Better Business Bureau of Montreal in endeavoring to protect investors, issued a bulletin containing the same opinion as The Financial Post has time and again expressed, touching the financial standing and the future possibilities of this company.

Duke-Price Power

Would I be wise in purchasing Duke-Price Power 6's of 1966? Is it a Canadian company? Where and how is the interest payable? What is the yield at present prices?

The Duke-Price Power 6's of 1966 are a first mortgage on a property which we believe over a term of years will continue to show increasing earnings.

The company is a Canadian company. Interest is payable at the option of the holder in New York, Pittsburgh or Montreal. The interest is payable in U. S. funds.

At present prices, ten of these $1,000 bonds would yield you approximately 5.62 per cent.

The bonds are a first class investment issue.

Oil Shares

I am thinking of buying stock of Oil Shares, Incorporated. Please be good enough to let me know if you consider the stock to be a sound purchase.

Oil Shares Incorporated can be regarded as an attractive semi-speculative investment for a business man. These shares might well be included in a diversified list of holdings. To us they look attractive as a long hold. The company is well administered—as far as we are able to judge. Of course, this is a U. S. company and The Financial Post investment service is confined only to Canadian companies because we have that personal contact with the executives of the domestic organizations which allows us to give an informed opinion on their future.

Calgary Power

The latest stock offering of the Calgary Power Company apparently reveals that the management has issued 10,000 shares since the publication of the last annual report. Is this correct?

I think the company cannot issue stock without the consent of the shareholders and I believe that we are entitled to know the price at which these shares were sold and to whom they went.

You are correct. The Calgary Power Company issued 10,000 shares since the publication of the last annual report.

In our estimation, there is no reason why the directors should not issue stock at their discretion. The Canadian law allows virtually all corporations so to dispose of their securities.

We have confidence in the directorate of the company and we feel that these shares were not sold or disposed of without the company obtaining a reasonable quid pro quo.

Up to the present the management has done very well by the shareholders and over a term of years we believe the company will still continue to make excellent progress.

If you have no confidence in the directorate, sell your holdings of Calgary Power. We have confidence in the management and believe the shares to be an attractive hold.

Div. Invest. Trust

Kindly advise if you consider Diversified Investment Trust, Ltd., as a good safe investment. The shares at present are something under $70 but, I understand, are to be raised to this figure by December 1. The shares are sold in units of one share of preferred and one share of common for the above amount. I do not know if the common can be separated from the preferred, but if it can I should appreciate your opinion as to which is the better purchase, preferred or common.

If you are looking for safety and yield the preferred stock of Diversified Investment Trust is more attractive than the common. The common stock, inherently perhaps, is not quite so safe, but there is the possibility, of appreciation in market value eventually. We do not know that the common stock can be purchased separately from the preferred at the present time, but we suppose that the time will come when the stock can be so purchased.

Diversified Investment Trust is a comparatively new enterprise and, therefore, the securities of this company cannot be considered a seasoned investment. However, we believe that the company is competently managed and directed and that its success is assured if the principles of the investment trust, as developed in Great Britain in the last forty or fifty years, are adhered to strictly in the operation of this company.

Humberstone Shoe

I hold 15 shares Humberstone Shoe Common. As you no doubt know, this company has recently offered new stock to shareholders share for share, at the price of $30.

Do you consider this a reasonably good investment? If so, I will duplicate my present holding.

In our opinion, Humberstone Shoe Co., Ltd., common stock is a reasonably good investment. Our information is that the company is improving its position steadily, and in view of the fact that the stock was well distributed the outlook for the investment is good.

B.A. Oil

I would appreciate your opinion as to the purchase of British American Oil at 50 or better, Wright-Hargreaves at 2.50 and Carling's at 35 or better. I held B. A. Oil from 24, but sold a day or so early at 43, expecting it to react a little.

British American Oil in our opinion is the best of the three stocks mentioned in your letter of November 10, and we think it attractive at present prices for the patient holder. We do not attempt to forecast the immediate market movements of this or any other stock.

We understand that Carlings business is good. The stock has been acting better recently. There are predictions of a $3 dividend.

Wright-Hargreaves at present prices appears to us to be a speculation not without merit.

United Bond Co.

Please favor me with your opinion of The United Bond Co., of Windsor, and their issues. Also your opinion of the 6 per cent. Refunding Mortgage Gold Bond of The Winnipeg Electric due Oct. 2nd, 1954.

I want a good bond to yield about 5½ and do not care to consider any of the paper companies at this time. I would appreciate any suggestions. While I would take some risk, I much prefer safety.

We believe that the 6 per cent., refunding, 1954 bond of the Winnipeg Electric Company is a higher grade investment than a real estate bond. For one thing, the Winnipeg Electric is active and could be sold perhaps more readily than most real estate bonds.

We are favorably impressed with the offerings of the United Bond Company, Windsor, and the serial feature of their issues offsets in some degree the disadvantage in realty bonds from the point of view of marketability.

Canada Cement

Which two of the following stocks do you think will improve the most during the next two years? Canada Cement common, Supertest Petroleum, Canadian Canners second preferred, Photo Engravers, Hinde & Dauche, Standard Paving, Building Products, Northern Bakeries.

Unfortunately, we do not think that anybody is in position to say which of the eight stocks you list will improve the most within the next two years. Canada Cement and Canadian Canners are two companies which are the leaders in their respective fields and over the long term the common of the one and the second preferred of the other should do very well.

Supertest Petroleum is one of the smaller companies in the oil distributing field but it has an excellent record and in view of the growing demand for gasoline in the territories served, it would seem rasonable to expect a continuance of the favorable record.

Photo Engravers is a sound company doing an excellent business. Hinde and Dauch is one of the leading companies in its branch of the manufacturing group and the outlook for it over two years is favorable.

Standard Paving should do well. The paving business is a promising one for the next several years in view of the comprehensive road building programme of every municipality and province.

Building Products stock is well distributed and the outlook is favorable, in our opinion.

Northern Bakeries is one of the two leading baking companies in Canada.

HESS TWP. SECTION IS QUITE ACTIVE

Sudbury Rand-Capital Rouyn and Lake Geneva Company Are Operating

Sudbury Rand Mines are now actively engaged in cross-cutting and trenching on their property on Geneva Lake, Hess township, adjoining the properties of Towagmac and Collins-Babson. Work is now in progress upon a dyke or vein with walls of dolomite and diabase and which has a width of some 15 feet at the place of the first crosscut. In other places the outcrop appears to have a width of over one hundred feet. The mineralization is evidently a continuation of the schisted zone where stringers of lead are found upon the Collins-Babson property adjoining. This is about four miles west from the properties of the Capital Rouyn Co., in Hess township. This company recently acquired a block of ground lying between their holding and Towagmac.

Two miles north of the operations of the Sudbury Rand Mines, the Lake Geneva Mines are working three shifts, sinking its shaft and are now down about 45 feet and making good progress, a crew of experienced Cobalt miners being employed.

Outside of the properties mentioned above there are six other outfits doing assessment work and erecting camps in this section, the Crawford Syndicate, one mile northwest, in Munster township, of the Lake Geneva Mines having a large zinc-lead showing. Stralak, eight miles farther west, is the scene of much activity, but between Stralak and Lake Geneva Mines property owners are marking time and doing very little.

Sheep raising is a growing industry in this region of the southern interior, B.C., several thousand sheep having recently been imported from the Prairie Provinces.

Belgian Carpenters Preferred Old Tools

And Thus Revealed One of Problems Facing Canadian Trade Commissioners Abroad — Our Belgian Trade Large

That high-grade tools are not always essential to good workmanship is one of the lessons which Jean J. Guay, Canadian Trade Commissioner in Belgium, has learned since taking up his duties in Brussels.

Some Belgian carpenters were busily at work in Mr. Guay's office one day laying a hardwood parquet floor. Anyone who knows anything of the carpentry trade is fully cognizant of the many difficulties associated with the cutting and fitting of the small sections in such a floor. One would naturally figure that such work would require the best skill and the use of the most modern tools, yet Mr. Guay noticed that these Belgian carpenters used the most improvised tools, consisting of a buck-saw and a hammer with a mushroom-like head and a piece of yardstick for a handle. It was almost inconceivable that such an accurately cut and mitred floor could be laid with such tools and, with this conviction, Mr. Guay proffered to these workmen some sample Canadian tools for which he was seeking a trade opening. He described the perfect balance and easy handling of this Canadian-made hammer. He grew enthusiastic and waxed eloquent in his praise of this particular tool. Finally, the Belgian carpenter enquired if the exalted instrument of Canadian carpentry would do anything more than drive a nail, pull a nail or act as a pry. Mr. Guay was forced to admit that this was about the limit of the tool's usefulness, whereupon the Belgian carpenter made it clear that he could do as many operations and do them just as well with his old standby. Mr. Guay waited until the floor was done, half hoping to be able to point out some deficiency which might have been eliminated by the use of better tools, but the completed job was so perfect that he was left without an argument.

This little incident, as recited by Mr. Guay in the office of the editor of Hardware and Metal, while he was on a recent visit to this country, is given herewith to indicate something of the difficulties which face Canadian trade commissioners in introducing some high-grade Canadian products abroad.

Pay For Quality

Another interesting sidelight on continental business affairs which indicates that all European countries are not out for the cheapest they can buy, but are willing to pay for quality, was the following story told by Mr. Guay:

A Belgian textile firm which buys large quantities of knitting needles, secured prices from many producers of this commodity. The highest price ($35 per thousand) was quoted by a Canadian firm. The English price was $22, Swiss $18, German $13 to $15 per thousand. The textile firm at first demurred at the apparently high price on Canadian needles, but was induced to try a sample shipment. They were so pleased with them that they have since been buying practically all of their requirements from the Canadian firm. Actual tests conducted by them proved that there was a much smaller proportion of breakage in the Canadian needles and it was ultimately cheaper for them to use the Canadian product, even though paying twice as much for them as for the product of countries nearer at hand. From the business secured in this way the Canadian plant is said to be doubling its capacity to take care of its foreign trade in needles.

"Continental-made goods are low in price, but in most cases the buyer does not get even proportionate value for his money in buying those goods compared with the value in a high-grade product," was a significant statement made by Mr. Guay. This is a most important statement in view of the volume of continental hardware and other merchandise which has been bought by Canadian importers on a price basis in recent years.

Important Belgian Trade

Canada's trade with Belgium is important, figures showing that we sell nearly $20,000,000 of merchandise a year to that country while importing merchandise to the approximate value of $12,000,000. Our exports to that country chiefly consist of wheat, oats, salmon, lobster, rubber shoes, tires, zinc and lead.

That Belgian industry has been almost entirely rebuilt since the war, was pointed out by Mr. Guay, who added that to-day Belgium was more highly industrialized than any part of Europe and that as such it provided a splendid market for Canadian raw materials. Workmen in factories in Belgium received the equivalent of about $1.60 to $1.70 per day, while common laborers were paid the equivalent of about one dollar per day. There was little poverty or privation, because the common people were content to earn sufficient for their ordinary needs. They were a contented people who enjoyed themselves in their own characteristic fashion. Clubs, bands and parades were the chief sources of indulgence.

Thirty Cents for Vaudeville

An indication of comparative purchasing powers was the fact that the best theatre seats for vaudeville or the drama were procurable for the equivalent of 30 cents in Canadian money, while the highest price for seats for headliner grand opera companies was the equivalent of 90 cents.

Another interesting statement made by Mr. Guay was that much of the lace and other fine work on French model feminine attire was done in Belgium in order to take advantage of the difference in exchange. It was pointed out that while the Belga was established as representing a definite monetary value in Belgium for trade purposes, it applied only in foreign trade and was not used in domestic commerce. The Belgian franc was worth the equivalent of three cents, while the French franc was worth four cents, hence the disposition of French manufacturers to take advantage of the exchange wherever possible.

NOR. BAKERIES LIKELY TO JOIN OGILVIE MILLS

Official Statement Admits Negotiations to Merge Bakery Companies

A statement issued Thursday by J. F. Lash, a director and counsel for Northern Bakeries, admits that negotiations are in process whereby Northern Bakeries would be merged with other baking companies owned or controlled by Ogilvie Flour Mills Co.

It is assumed that this would mean that Northern Bakeries would be controlled by Ogilvie Flour Mills. Possibly one or two members of the Northern Bakeries board would join the board of Ogilvie Flour Mills.

No Cash Involved

Northern Bakeries stock was selling Thursday at 51. The present price is considered a speculative move entirely, in view of the definite statement that no cash will be involved in the transaction, if it is completed, the change being effected by the transfer of shares with a new bakery company.

The official statement follows in full:

It is announced by Northern Bakeries of Canada, Limited, that preliminary negotiations have taken place with the Ogilvie Flour Mills Co., Limited, looking toward an amalgamation of the business of Northern Bakeries Limited with other bakeries owned or controlled by the Ogilvie Company. If consummated the amalgamation would take place through an exchange of shares with a new bakery company, and would not involve the purchase for cash of the stock of any of the businesses concerned.

It is anticipated that definite information will be submitted to shareholders of Northern Bakeries of Canada, Limited, in the near future.

The suggested amalgamation has no connection whatever with other flour mills or bakeries.

This statement is made public by reason of exaggerated statements which are being circulated and which have no foundation in fact.

Costs $206 to Learn to Fly an Aeroplane

It costs $206 for a member of the Montreal Light Aeroplane Club to learn to fly, according to an estimate given by Captain W. S. Lighthall, president of the club. This estimate allows eight hours dual flying at a rate of $12 per hour before the student can take his first solo flight. Then five hours solo flying are required at the same rate, which makes the pupil eligible for a private flying license. This license does not, however, entitle the amateur pilot to take up a machine for hire or commercial purposes. In addition to the instruction costs there is the club fee of $25.00 for entrance and $25 per annum, making the total of $206.

The Montreal Light Aeroplane Club was organized September 1, 1927, and was the first in Canada. Flying membership now totals 175, and there is also a large non-flying membership from which vacancies in the former branch are filled.

TO REVIVE WORK AT SESIKINIKA

Sullivan Group Will be Operated When Funds are Secured

By Staff Editor

KIRKLAND LAKE.—Kirkland-Sullivan Gold Mines has been incorporated to develop the Sullivan Gold Syndicate's property at Sesikinika. The property comprises a group of eight claims, approximately 320 acres situated in the Township of Maisonville, a mile from the T. & N. O. and a quarter of a mile from the Ferguson Highway.

High gold and silver values are reported to have been disclosed in surface work and arrangements are now being made to raise finances to take care of a comprehensive development campaign.

The ground was staked by M. A. Sullivan, who in reporting on his find states:

"The formation is basalt pillow lava and porphyry rocks cut by diabase dykes and porphyry dykes. No. 1 vein has been traced for a length of 1,800 feet and is from 12 to 30 feet wide. On the south end, where I first picked it up, it ran $7.50 in gold and 6 oz. in silver to the ton over a width of 42 inches."

A test pit sunk to a depth of 8 feet and opened it up for 12, at a point 600 feet north of the discovery, he reports assays $11, $7.80, $10.70, $14.30, $35 and $48 in gold and an average of 10 oz. in silver.

A gunny sack weighing 60 lbs. of the ore, he states ran $14 gold and $9 silver, channel samples taken over a width of three feet.

"Twelve hundred feet north of this place," he states, "I shot across 13 feet, the first five feet gave 19 oz. silver and 80 cents gold, the next eight gave $3 gold and 2 oz. silver."

No. Two vein is about 600 feet east of No. One and 75 feet wide in the places I trenched, which are 1,000 feet apart. The vein matter is quartz stringers and mineralized rock; the quartz stringers show visible gold and telluride, and sections of it ran from $3 to $8 channel samples. I have had grab samples from $18 to $1,640 to the ton."

E. M. Murphy, of Swastika, is president of Kirkland-Sullivan, M. G. Hunt, Barrister, of Kirkland Lake, secretary.

Northern Copper Corp. Has Kamiskotia Claims

From Our Own Correspondent

HAILEYBURY.—The Northern Copper Corporation has been incorporated to develop nine mining claims in Kamiskotia. The property lies about half a mile due west of the Hollinger ground in that area, the distance between the two being two claims wide. Northern Copper Corporation's ground was staked at the time of the Kamiskotia rush which followed the Jamieson discovery.

Some surface exploration work has already been carried out on the property and it is stated the heavy overburden which proved a considerable handicap to development work on other properties in the district, has not been a factor here.

No work is going on at the present time, and the corporation will probably follow a "wait and see" policy, its future programme being guided by results obtained by other operators in the Kamiskotia field.

Northern Copper Corporation is capitalized at 1,000,000 shares $1 par. This is divided into 500,000 vendor shares, 500,000 treasury shares. D. H. Angus is president and C. F. Tuer, secretary.

Mineralized Contact Zone Cut on Astoria Group

On group one of Astoria Rouyn, J. G. Sipprell, engineer, reports that he located a rhyolite and basic lava contact striking east west. The zone is well mineralized with pyrite and pyrrhotite. Along the contact is a narrow vein of gossan containing much iron. Work is now proceeding to determine the nature of the mineralization in the oxidized zone. Further exploration of the quartz vein on this group shows the apparent continuity over two claims, striking approximately east-west and varying in width two to four feet and showing sulphide mineralization in places. Two important assays, one $12 and another nearly were secured.

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Shareholder is Presumed to Know Company By-Law

Article Gives Non-Technical Outline of Position of Shareholder in Regard to Company's Ordinances

By M. L. HAYWARD

"If I can fix the net profits of the companies whose stock I hold, I care not who makes the by-laws thereof," is the investor's paraphrase of an old poem, but ordinarily the average stockholder has no control over the profits—or losses—but he often has a vital interest in the by-laws governing the companies in which he is fortunate or unfortunate enough to be financially interested.

It follows that a brief discussion of the subject of by-laws will not be waste of time, and will repay a careful perusal by any holder or prospective holder of corporate securities.

Definition of a By-law

A by-law has been defined as "A rule or regulation by a company as one of the incidents of its existence, for its internal government, or for the government of its officers and members in the management of its affairs as among themselves."

From this definition it will be seen that a by-law differs from a resolution of the company, as a by-law is a general rule applying to the general affairs of the company, while a resolution is directed to the carrying out of a specific purpose. A by-law, for instance, may require that stock transfers be executed in a specified way, while the sale of a specific part of the corporate assets would be authorized by a resolution to that effect.

Some General Principles

If an investor puts his money in a real estate mortgage which is already subject to a prior mortgage as shown by the public records, of which he is ignorant, he has no remedy as, according to law, he is presumed to know what is on the records.

Carrying the same principle a little further, it is a well established rule that stockholders in a company are presumed to know their own by-laws and cannot evade the effect thereof by pleading ignorance.

Another important rule governing by-laws is that they may be more than the name would indicate, and in certain cases will operate as a contract among the members of the company, and not only may a by-law operate as a contract, but it is also to a certain extent a law, and is as binding to a certain extent upon the company and stockholders as a public law would be.

Distinction Pointed Out

One distinction, however, between a public law and a by-law should be pointed out. During the course of a trial when a question in reference to a public law arises, as a general rule, all that is necessary is to produce a printed copy of the law itself, without proving that it was enacted by parliament or by the legislature and signed by the Governor-General or Lieutenant-Governor. The law is "judicially noticed," as the lawyers say.

Courts, on the other hand, will not take 'judicial notice" of company by-laws, but they must be proved in the usual way, the same as any other matter of fact.

Power of a Company to Pass By-Laws

A company, of course, has not only power to pass by-laws within the limits of the power conferred upon it by its charter or any statute law, but it also has general power to pass such by-laws as may be necessary for carrying on its business and exercising the general power conferred upon it.

"The objects which a company may legitimately pursue, must be ascertained from the memorandum of association, and the powers which the company might lawfully use in furtherance of those objects must either be expressly conferred or derived by reasonable implication from its provision. What is 'incidental,' or 'ancillary' or 'conductive' to the company's business so as to bring it within the company's legal capacity is what may be reasonably implied from the language of the company's charter, in this case its memorandum of association. It cannot, I think, be contended that a power to buy from A at a price to be agreed on with A carries with it on any reasonable implication of a power to buy from B at a price to be agreed on with B. This was what the company purported to do in this case, and, in my opinion, it was clearly an ultra vires transaction and the allotment of shares which was part of it cannot stand," is the ruling of the British Columbia Supreme Court.

What is a Valid By-Law?

It is a well established principle that all companies are subject to their charter or the statute creating them, and can make no by-laws outside of the powers thereby conferred. It follows that a by-law is not valid which is contrary or which attempts to enlarge the charter or statute powers. A company authorized to engage in the mining business, for instance, cannot make a valid by-law for engaging in the shipping trade.

In a New Brunswick case a corporation was authorized to make such by-laws as may be deemed necessary for "the annual election or appointment of trustees," the corporation passed a by-law that all contributors to the corporate fund should be entitled to vote, and the Supreme Court of that province "quashed" the by-law on the ground that it was beyond the corporate powers to extend the franchise to parties not members of the corporation.

Cannot Alter Constitution

"These words cannot, I think, properly be held to authorize the corporation to alter its constitution by by-laws, which the by-law above quoted unquestionably purports to do, by transferring the rights of appointment or election of trustees to a body of electors which may be composed in much the greater part of persons outside the corporation, and of which the trustees would form but a small minority," the court said in 44 N. B. R. 598.

"The statute having expressly declared who shall be entitled to vote for directors, its provisions are imperative upon the company, constituting a part of the law of its being; and the company has no authority to extend or limit the right as regulated by the statute," says another court in expressing the rule.

Even when a company is given the power to carry on a certain business and any other business "incidental and subsidiary thereto," it does not authorize the company to embark on a venture foreign to the specific purposes of the charter.

Can Not Exceed Powers

"I think the company not only has no powers beyond that so given it, but must assert such power as it may have been given by the method through and by which it is enabled to act, and when going beyond such limits its acts are ultra vires and void," says the Supreme Court of Canada.

It also follows that a valid by-law cannot infringe upon the general law, whether Imperial, Dominion or Provincial.

"A charter is always presumed to authorize legitimate business, and is never intended to override the general law of the land, nor to justify persons for their gain and profit in violating laws established for the general welfare of the public," says the Quebec Courts in a case reported in 52 Que. S. C. 522.

Protects Stockholder

Another interesting situation arises where a by-law attempts to saddle the stockholders with liability for the corporate debts.

"I've paid for my stock in full, and that's the extent of my liability," the stockholder contends.

"True enough, as a general rule, but your own company's got a by-law saying that you are liable," the creditor retorts.

On this point the law is in favor of the stockholder.

"Where neither the charter nor the governing statute imposes on the members a personal liability to pay the debts of the company, such as liability cannot be created by any by-law or vote of the company so as to be binding on dissenting members, unless the member sought to be charged, is in some way connected with the by-law so as to bring him into privity with the creditor," says one authority on the point.

Oppressive By-Law Invalid

It follows logically that an unreasonable or oppressive by-law is invalid, and the same principles apply to a by-law in "restraint of trade," this point generally arises in connection with by-laws restraining or hampering the transfer of the company's stock, and the general rule is that such a by-law is invalid, on the ground that a share of stock is simply ordinary personal property, which carries with it the right of disposal to the same extent as a diamond ring or a second-hand automobile.

"This conclusion is placed upon the ground that such regulations impose a restraint upon the alienation of property and that they are therefore inimical to public policy," says one authority in laying down the rule where a by-law provided that a transfer was to be subject to the approval of the directors.

In dealing with the Canadian Companies Act the Privy Council says: "The conclusion is that a by-law purporting to impose such a restriction upon a transfer as would be imposed if the directors had a power of veto would be ultra vires; and further that it would interfere with that transferability of stock which is an ordinary incident to personal property."

Belated Rules in Transfer

And the Ontario courts have held that even the power to pass by-laws "regulating the transfer of stock" does not justify such a by-law, on the ground that "a power of regulation does not extend to restriction."

"This, in effect, would prevent a holder of fully paid-up shares in the company from selling and realizing on his stock because no purchaser could be found, if registration as owner could be prevented at the caprice of the directorate," is the reasoning of the Ontario courts.

The reverse of the shield is where the company passes a by-law providing that the stockholders shall be released from any indebtedness to the company for the stock subscribed for, but such a by-law is ineffective, on the ground that the stock is a trust fund for the benefit of creditors, which cannot be cancelled in this way.

Enforcing By-Laws

Practically the only way of enforcing a by-law is by imposing a money fine or penalty upon the offending party, unless the company's charter or some statute confers wider powers upon the company, such fines and penalties must be reasonable and not greater than is necessary to bring about the object aimed at, and that object must be a legitimate one.

In a Quebec case (reported in 24 Que. K.B. 503) a by-law that any stockholder who patronized any competitor in any manner whatever should be subject to a fine of 50 cents per day, was held invalid as an illegal attempt to abridge personal liberty.

In an American case along the same line a company whose stock was held by farmers from whom the company purchased their grain, passed a by-law that stockholders could not sell grain to competitors unless they paid the company one cent per bushel "for each bushel of grain so sold," and the Supreme Court of Colorado ruled that this penalty was unreasonable and in restraint of trade.

"The by-law, if enforced, unquestionably would tend to drive out of business any other grain buyer and give the company a monopoly. This effect renders the by-law unreasonable," said the Court.

Suppose, however, that a by-law does not in express terms forbid a transfer of stock but provides that it may be refused as long as the registered owner of the stock is indebted to the company, or, the company may go a step further, and provide not only that the owner cannot transfer the stock while indebted to the company, but that the company shall have a lien on the stock itself for the debt. Is this a valid by-law?

On this point, the better judicial opinion upholds the by-law.

"We see nothing in this unreasonable or repugnant. It does not affect other than members of the company whose privilege and duty is, before they become such, to acquaint themselves with the rules so far as they would affect their interests. In reference to the company it is a very salutary rule; greatly to the security and advantage of the stockholders and to the public, by facilitating loans. It is, therefore, in our opinion a valid by-law, and binding on all the corporators," is the reasoning of a leading court on this point.

"Upon consideration of the authorities and the statute, therefore, it seems to me that a by-law of a company, incorporated under our Act, creating a lien upon the shares of a shareholder in respect of his indebtedness to the company is a reasonable and proper exercise of its powers as set forth in the Act, and that, as between the shareholders and the corporation of which he is a member, it must be valid and enforceable," says the Manitoba Court of Appeals in dealing with the Companies Act of that province.

These brief points will, it is believed, be of some interest to every holder or prospective holder of corporate stock. Every citizen is presumed to know the law. Every voter has a hazy idea at least of the planks in his own political platform, and it logically follows that the stockholder should have an idea of the by-laws governing his relations to his own company, and some of the main legal principles applicable thereto.

Imperial Bank of Canada

Review of Canadian Business

Bank Made New High Records During Past Year

President, Vice-President and General Manager See General Prosperity, and Express Faith in Future Developments.

Bank's Assets Increased Twelve Millions

Mr. Peleg Howland, President, occupied the chair and called the meeting to order.

It was with much regret that I was compelled to absent myself from the Annual Meeting last year. For similar reasons my remarks to-day will be very brief.

The statement that the Management lays before you has given much satisfaction to your Directors, and I trust will do so to you.

Year Profitable to Bankers

The year has been a profitable one to Bankers, ready employment having been found for their funds, either commercially or in loans on securities, for the greater part of the year at good rates—the money market, which in the earlier months indicated weakness, having strengthened later on in a marked degree—the rates in the New York Call market being particularly high, it thus forming a very profitable outlet for any surplus funds from time to time.

Our profits have been good, and are shown after making ample provision for contingencies. The usual dividend has been paid, with a bonus of 1 per cent. for the year, and we have felt justified in increasing our Rest and writing off a large sum from our Bank Premises Account, which is of necessity large, as the General Manager will explain.

Foreign Trade Increased

To refer to general conditions in the country our foreign trade has grown, particularly in imports, which would indicate increased spending ability on the part of the people.

Debt Reduced—Revenue Increasing

The net debt of the Dominion is being reduced, offset to some extent at least by indirect obligations incurred on behalf of the National Railways. The annual revenue is increasing, giving hope of further reduction in taxation, than which there can be no greater stimulus to enterprise.

Most of our industries, it is believed, will show satisfactory results from their operations this year, with the notable exception of at least Pulp and Newsprint, which is suffering from over-development, the natural result, no doubt, of previous conditions.

Pulp and Paper Industry

This industry is of such importance directly and indirectly to this country that it is hoped that matters will right themselves soon, though I fear, to have any permanency, an increase in the consumptive demand equal to capacity to produce is the true remedy.

It is just now reported an arrangement of some nature has been entered into for the maintenance of prices, which will no doubt temporarily prevent loss to some of the companies.

If the arrangement includes some equalizing scheme, and does not lead to new development, and can be maintained until demand catches up with production, it may be of benefit to the industry as a whole, though usually such agreements have a tendency to curtail consumption and to lead to competition from new and unexpected sources.

Mining Activity

While it cannot be said that mining is not prosperous, the amount produced in dollars and cents by this industry, or shall I say enterprise, will show, I fear, little increase over the year previous, which is disappointing, but the activity expended in exploring, prospecting and development is giving business large returns, and promises increased production in the future.

Very Large Field Crops

Our field crops have been very large, though not as large as the early estimates indicated, frosts in August in the Northwest having affected both yield and quality. Had the wheat crop turned out as at one time expected, with prices as then existed, there would certainly have been something approaching a boom in Canada.

As it is, even at the somewhat reduced prices being realized, many farmers must fare well, and the carriers, and all others engaged in handling grain, must benefit from the large crop, and our general prosperity will be helped thereby.

The Chain Store

Wholesalers and retailers in some lines of goods have had their sales, and thus their profits, adversely affected by the extension of the chain store system, and the establishment of branches by the large departmental stores. Both the regular wholesaler and retailer are necessary, I think, to the convenience of the public, and the economical distribution of goods, and will survive, though perhaps in reduced numbers.

Building and construction of various kinds have been active in Canada, the confidence displayed in the continued growth of the City of Toronto, particularly by those erecting lofty buildings for different uses, being very marked. We are fast growing skyward.

Savings Increase

Savings deposits have increased, as also have the sales of life insurance, both of which are evidences of thrift, which cannot be said, perhaps, of the increased sale of automobiles, though this may be an evidence of prosperity.

Speculation, not alone in this country is rife, and not confined to one class of the community, nor to one sex. Many stocks have been forced to heights, based neither on dividend returns nor earnings, but on hopes and expectations for the future—a reaction sooner or later is inevitable. It behooves those who are lending money on this class of security to use the utmost caution.

Bank Mergers to End

In the race for supremacy, another bank merger or absorption has recently occurred. This movement has surely nearly reached its end. As far as it has gone, it must have added to the likelihood of growth and the certainty of success of institutions such as ours.

St. Lawrence Waterways

The deepening of the St. Lawrence waterways is a subject of vital interest before the public just now. The United States would seem determined to provide a deep shipway from the Great Lakes to the Atlantic Ocean. It would seem desirable, therefore, since we have gone to the enormous expense of the enlarged Welland Canal that negotiations should be begun as early as possible with that country to bring about the completion of the outlet through the St. Lawrence. Surely differences between the Dominion and the two Provinces as to ownership of river-bed, and between Ontario and Quebec as to mode of development of power, can be settled in the common interest of all, so that matters may not be delayed on that account. While it may not be that all the benefits will accrue that are claimed, the movement of grain from the West will be at least hastened, and the capacity to take care of an ever-increasing flow will be enlarged, and if, as is stated, the enormous development of electrical power can be made to pay the total cost to this country one would think that the work should be begun with the least delay possible.

Country's Prospects Are Pleasing

Altogether, the picture of the country's prospects as I see it is very pleasing, and reasonable confidence in the immediate future is instilled.

I am very sorry to have to report the great loss the Bank sustained very recently by the death of the Assistant General Manager, Mr. G. D. Boulton. His death was very sudden, and was a great shock to us all. He joined the Bank as a junior in its early days, and through his ability and faithful service reached the high position occupied when he died. I came for some time in almost daily contact with him, and he won my high regard and esteem. He is much missed. Mr. H. T. Jaffray, the Assistant General Manager, resident in Winnipeg, has been moved to Toronto.

Testimony to Staff

Before I sit down, I would like to bear testimony to the zeal, and loyalty of the Staff generally, and to their share in the results produced for the year, and to refer particularly to the high qualities displayed by our General Manager, whose efforts have been ably supplemented by his immediate assistants.

Vice President's Address

Sir James Woods spoke as follows:

Before seconding the adoption of the Report, I would like to speak briefly, not on Canada's past or present achievements, but in regard to her future outlook.

Science Helps the Farmer

As a result of several good harvests, Canada is prosperous and produces far beyond any other country of like population. One reason why so much is accomplished by ten million people is the increasing application of machinery in the fundamental industries. The rapid increase in the areas under field crops in the three Prairie Provinces is indicated by the following figures:

1900	3,600,119 acres
1910	13,607,697 acres
1920	30,235,114 acres
1928	38,858,263 acres

This increase in acreage is far greater than the relative increase in population in those Provinces and is, in a large measure, due to the introduction of labor-saving appliances. In Manitoba, there is one tractor for every 4.6 farms; in Saskatchewan one for every 4.7 farms, and in Alberta one tractor for every 7.5 farms. New aids for the Western farmer have come with the development of the reaper-thresher which cuts and threshes the grain at the same time, and of the swather, which cuts the grain in swaths, when after drying of the grain and weeds, it is picked up and threshed by the reaper-thresher. The sales of reaper-threshers in Western Canada increased from 176 in 1926 to 3,657 in 1928. The swather practically made its first appearance on the prairies during the present year. These new appliances avoid the necessity of stooking the grain and of employing gangs of men later for threshing. In a way, they indicate how the farmer may grow more without the trouble and cost connected with the employment of great numbers of harvesters at high rates for a short period. The annual migration of tens of thousands of harvesters to the West may, as a result be lessened, and the cost of production be reduced.

Labor Benefits Through Science

A similar development of mechanical labor-saving appliances has been introduced in most lines of industry. In the smelters and mills for the treatment of mineral products, the visitor is struck by the continuous operation of great plants, where, considering the amount of work done and the size of the plant, there are very few workmen to be seen. In earlier years, such plants were hives of industry, with men wheeling, shovelling and carrying in all directions. While the nineteenth century was regarded as the century of mechanics and invention, this development has been even more rapid in recent years.

Roger Babson, the well-known statistician, in a recent article in The Cambridge Tribune, states that since 1914 such progress has been made that to-day 30 men can produce as many motor cars as 100 men could 14 years ago, that 40 men can produce as many rubber tires as 100 could 14 years ago, that in iron and steel 40 men can produce what 100 men could 14 years ago, that in metals other than iron and steel 60 men can produce as much as 100 men could 14 years ago. In varying degree, this is the experience in industry generally.

This development of labor-saving appliances has not worked to the disadvantage of labor.

In 1924 the American Federation of Labor commenced an exhaustive study to determine the number of wage-earners in the United States, the value they added to raw material by their labor, and the average income per wage-earner per annum. The findings show that, from 1914 to 1925, the value added to raw material by manufacture increased 155 per cent., while wages increased, in the same period, 146 per cent., and the number of wage-earners increased by 19 1-2 per cent., showing clearly, I think, first, that wages come from production; second, that labor-saving machinery does not cause unemployment. It may force labor into different channels, but the new employment will probably be more desirable and advantageous.

White Coal

The uneven distribution of coal in Canada is more than counterbalanced by the abundance of water power, so much so that it is in the great central Provinces, where up to the present time there has been no production of coal, the greatest industrial development has been attained. Before the coming of our scientific and mechanical age these power resources would have been of little value.

In the aeroplane we have an application of mechanics which aids in topographical mapping, facilitates rapid transportation of mails and passengers, and by its long flights into the Northern territories has immensely enlarged the accessible area of the country. During the past season parties of prospectors and explorers were carried into the far North in so short a time that their available time for the season's work was increased far beyond that which would have been possible with the old methods of travel.

If, with our small population, we are to develop the great resources of the country, we have need not only to make the fullest use of the best and latest that mechanical skill has to offer, but we must pay attention to the cultivation of science and its application to our problems. So only can we hope, with our high cost of labor, to meet the competition of producers in low-wage countries.

Congratulates Government

We should congratulate the Government of Canada on its decision to erect and equip in Ottawa a great research institute under the direction of the National Research Council. Similar congratulations should be extended to the Government of the Province of Ontario for providing public funds and for securing the co-operation of the industrialists of the Province in setting up a research institute in Toronto.

The application of research to agriculture has already produced a great harvest. The production of Marquis wheat, which requires a shorter period from planting to harvest, extended the area capable of growing wheat in the Prairies far to the north. This was followed by Garnet wheat, which matures still more rapidly, and by other types which mature early and so avoid, in part at least, the risk of rust. During recent years much attention has been paid to the problem presented by rust, which is caused by a fungus which attacks the straw and prevents the proper development of the grain. The National Research Council, in co-operation with the people of the Prairie Provinces, has established laboratories in the West to study the history of the rust fungus, with a view to overcoming this blight, which costs the wheat growers millions of dollars annually. It is a satisfaction to learn that rust-resisting types of wheat have already been developed.

In agriculture and in other industries there are many problems to be attacked and solved. Upon the generous application of science to these national problems, the future happiness of Canadians, in a large measure, depends.

Farmer No Longer Isolated

Inventions of the past generation have done much to make those living in the isolated places of the country feel that they are in touch with the rest of their fellows. The telephone, formerly found in the urban centres, has been extended so that the rural sections are no longer out of touch with what is passing in the world. The radio, at very slight cost, brings the music of the best orchestras to the pioneer's cottage, while the development of good roads and automobiles has done much to annihilate the isolation of those in the rural areas.

The help that comes to us through the development of mechanical appliances and the promotion of research, is particularly fortunate for us, with our small population and great natural resources. Under the present conditions immigration is not so imperative as in earlier times.

Immigration Problems

Apart from the application of mechanics and research to our industries, the great problem of Canada today is immigration. Some would hasten the arrival of people from without, by reduced ocean fares and by generous loans to settlers to enable them to establish themselves here. There is a feeling that we lack numbers and that the immigration rules should be relaxed. To me, it appears that the best immigrants are those adventurous spirits who come of their own accord. They make pioneers and are the most promising material for the upbuilding of Canada. With our great resources and the general well-being of our people, others will come without bonuses and loans. In the greatest period of immigration into Canada, between 1901 and 1921, we attracted from abroad about three and a half million immigrants, but during the same period over two million left the country. Many of these latter were, no doubt, returning to their old homes, but a considerable number of the emigrants were native-born Canadians, who, due in part to the pressure of competition set up by newcomers, felt obliged to seek a livelihood elsewhere. The loss of native-born Canadians is a serious one, for they, with their knowledge of the country are best fitted to assist in its development.

One phase of the immigration problem not to be overlooked in Canada is that we now have a population largely made up of two races, and it is desirable to attract only such new citizens as are capable of allying themselves with one or other of these groups. To plant colonies of strangers as has, unfortunately, been done in the past in the Western Provinces, so that they remain unassimilated and out of touch with the old Canadians, is to set for later generations a most difficult task. It is almost impossible for a complex, polyglot population to live together in peace and harmony, particularly under democratic institutions.

The racial complexity of Central Europe, of the Balkans and of Asia Minor, has presented to the world very serious problems of administration. The solution to date seems to consist in the breaking up of the old polyglot states into innumerable smaller ones.

To encourage the coming of non-assimilable peoples to Canada is to court like difficulty for those who succeed us. Let us confine our efforts to securing such additions to our population as may make for a united and harmonious Canada.

I have much pleasure in seconding the adoption of the Report.

The General Manager's Address

Mr. A. E. Phipps then addressed the meeting.

There are several interesting features in the statements which you have in your hands. The assets of the Bank have for the first time exceeded $150,000,000. The $100,000,000 mark was reached in 1918, so there has been an increase of $50,000,000 in ten years. The profits of $1,459,523.11 are the largest in the history of the Bank and have enabled us to write $500,000 off Bank Premises Account and make an addition of $500,000 to Rest or Reserve Account, bringing that account up to $8,000,000. The last transfer to the Rest Account was in 1919. Altogether I hope that you will agree that the statement is a very satisfactory one.

Dealing with the Balance Sheet: Circulation at $10,416,000 is practically unchanged. Total Deposits are above $118,000,000. Last year they were $109,000,000, so that they have increased by $9,000,000, or 8½ per cent. According to the Government Return the Canadian deposits in all the Canadian Banks as at 30th September, 1928, totalled 2,185 millions, compared with 2,097 millions in September, 1927, an increase of 4.93 per cent., so that we appear to have more than held our own in the matter of deposits.

Deposits Increase $9,000,000

The deposits not bearing interest are $27,000,000, an increase of $3,000,000, or 12½ per cent. for the year. The deposits bearing interest are $91,130,000, an increase of over $6,000,000, or slightly over 8 per cent.

Other liabilities consisting of deposits by and balances due to other Banks in Canada and abroad and Letters of Credit outstanding amount altogether to $5,500,000, compared with $3,350,000 last year.

A Very Strong Position

Turning to the Assets, I would remind you that a year ago I remarked that the establishment of a system whereby settlements for all Clearing Houses are made daily in one amount at Montreal, instead of at a number of Clearing House centres, would enable the Bank to carry less cash and keep more of its immediately available resources employed. Our actual cash on hand, $9,300,000, compares with $11,500,000 a year ago, the difference of $2,200,000 being represented by an increase of $2,300,000 in our Call Loans in New York, an asset which for all practical purposes is as liquid as cash. Adding the New York Call Loans and the other cash items in the Balance Sheet to the actual cash on hand, we have $32,000,000, just about 24 per cent. of the Bank's liabilities to the public, and when we include the secondary reserves consisting of Dominion, Provincial, Municipal and other high-grade securities and accounts, we have $74,380,000 odd, equal to 56 per cent. of total liabilities to the public. A very strong position indeed.

Adequate Capital

According to the September Government Return the percentage of Capital, Rest and undivided profits to Total Liabilities of all the Chartered Banks was 8.5 per cent. The proportion of the same items to total liabilities in the Imperial Bank of Canada was 10.6 per cent., so that if we want to look at the position from a purely capital standpoint, the Imperial Bank of Canada stands above the average.

The Dominion and Provincial securities, not exceeding market value, amount to $16,890,000, compared with $14,034,000 last year, an increase of $2,850,000. Canadian municipal securities, etc., at $6,200,000, approximately, compare with $6,000,000 last year. Our total securities are, therefore, up $3,000,000. They are, of course, of the very highest grade, and readily marketable.

Loans to cities, towns and municipalities are $7,300,000, compared with $6,800,000 a year ago, the increase, no doubt, being caused by the tendency of many municipalities to postpone the sale of their securities, waiting for a better bond market. Our call and short loans in Canada, approximately $12,000,000, compare with $13,500,000 a year ago, and our New York call loans as already mentioned are $2,300,000 more than last year.

Current Loans Up $12,000,000

It is in the current loans that the most remarkable change has taken place, the increase being $12,000,000 from $55,000,000 to $67,000,000, or nearly 22 per cent. Last year I remarked that we would like to see this department of our business a little larger, and I am glad to be able now to report such a satisfactory increase, which is partly due to larger grain loans owing to the earlier harvest, but largely due to new and desirable business which has come to the Bank during the year. It seems superfluous to repeat that our loans have been carefully examined and everything of a doubtful nature eliminated or provided for, but I once more assure you that such is the case, and that the Bank's position in this respect is thoroughly satisfactory to the Executive, is reflected in the transfer of $500,000 to Reserve Fund or Rest Account.

The Bank Premises Account, $6,032,847, increased in round figures by $1,000,000, which practically represents the price of the corner property at King and Bay Streets, Toronto, purchased last year as an eventual Head Office site.

A gratifying feature at the tail-end of the statement is the reduction in what might be called the liquidation items: i.e., Non-Current Loans; Real Estate, other than Bank Premises; Mortgages on Real Estate Sold, and Other Assets, which collectively amount to $1,148,000, the lowest figure for many years. We believe these assets to be amply good for the amount at which they are carried, and all possible losses in them have been anticipated and provided for, but it is very satisfactory to note the continued and substantial liquidation.

New Branches

New Branches: One Branch of the Bank was closed during the year and nine branches have been opened—at King and Bay Streets, at the corner of Mount Pleasant Road and Eglinton Avenue, Toronto; at Leaside, Chatham and Caledonia in Ontario; one in Alberta and three in Saskatchewan. We have now 195 branches in actual operation.

Staff Numbers 1,404

Staff: The opening of new branches means a constantly growing staff and we now have 1,404 employees, of whom slightly over 300 are young ladies. I have great pleasure in again testifying to the efficiency and loyalty of the staff—they work hard and get results.

Bank Premises

Bank Premises: In addition to the purchase of the corner of King and Bay Streets, Toronto, we have completed at considerable expense what has been described as the handsomest branch banking office in Toronto near the corner of Yonge and Bloor Streets, and we have purchased, built or remodelled on a large scale offices at Monarch Park and Danforth Avenue, Eglinton and Mount Pleasant Road, Oakwood Avenue and Rogers Road, all in Toronto; at Kirkland Lake, Kitchener, Walkerville and Sioux Lookout in the Province of Ontario; at Noranda, P.Q.; at Jasper, Alta., besides making lesser alterations and additions and purchases of sites at a number of other places. The cost of this work has been absorbed in the amount written off Bank Premises account during the year.

It has been found from experience that in order to have prominent and well located premises for branches in established districts it is necessary that the Bank should own its own buildings and that leasing is both uneconomical and unsatisfactory. We have consequently made fairly heavy expenditures on Bank Premises in the last few years, but I think that we are near the end of the road. There are only a few places where we do not have modern and thoroughly satisfactory buildings of our own.

Shareholders Number 2,651

The total number of shareholders is 2,651, compared with 2,605 a year ago and 2,055 in 1920.

Bountiful Crops

The President has briefly reviewed business conditions, but I would like to add a few remarks. The crops have been bountiful, with the exception of perhaps Northern Ontario, where bad harvest weather caused heavy loss. I had the privilege a few nights ago of sitting at dinner next to Miss Cora E. Hind, Agricultural Editor of The Manitoba Free Press, who is looked upon in the West as the greatest authority on such matters. She told me that she estimated the wheat crop of the three Prairie Provinces at 534,000,000 bushels but the grade is disappointing. The latest estimates I have give 57.6 per cent. contract grades, against 67.4 per cent. last year. Even so the crop is extremely valuable and comes at a time when the Northwest farmers' financial condition is generally satisfactory, and leaves nothing to complain about.

Agricultural Products, $2,000,000,000

In a speech on the same occasion the Prime Minister, the Rt. Hon. W. L. Mackenzie King estimated the value of agricultural products of every kind for all Canada at approximately $2,000,000,000, an enormous sum. Live stock operations have been reasonably profitable, although the industry still suffers from the lack of a stable market. Dairying has a little better than held its own. Fruit and vegetables have brought generally satisfactory returns, while the proceeds of the fisheries have been somewhat below 1927.

Supplementing what the President has said about the pulp and paper industry: According to a special report issued by the Canadian Pulp & Paper Association, the consumption of Canadian newsprint in the United States, which is Canada's principal market, for the ten months ending with October, 1928, was 1,578,778 tons, compared with 1,453,397 tons for the same period in 1927, an increase of 123,400 tons or nearly 9 per cent. It seems to me that if a proportionate increase continues for the next two or three years it should mean that all the mills in Canada will be able to operate to capacity and if the intervening period can be bridged, as no doubt it will be, it may be possible that the newsprint industry in Canada is not so sick as some people might imagine.

Lumbering

Lumbering generally has not been profitable but we are told that the lumbermen have about got through without loss and that the prospects are better. The production was practically the same as 1927 which was in round figures 4¼ billion feet with a value of 135 to 140 million dollars. The prices of soft wood and lower grade of hard wood are a little better, and there is not so much price cutting. In reviewing the situation in lumber we must not forget the activities of the producers of pulpwood, railway ties, telegraph poles, etc., who generally speaking, have had an active year and I think have made good profits.

Mining

In the mining industry apart from the production of copper and nickel, in which considerable gains have been recorded, the year has been one more of exploration and development than marked by any increase in production or the bringing in of any new great mines—the development and commencement of operation of the mine and smelter of the Horne Copper Co. at Noranda being the most notable event of the year. The operations I am glad to say, give every prospect of being an unqualified success. Another important matter is the completion of the railway into the properties of the Hudson Bay Mining & Smelting Co. in Northern Manitoba. Public faith in the future of the mining industry is evidenced by the fact that large blocks of mining shares are being dealt in with avidity. Let us hope that the future will justify this confidence. In Alberta the development of the oil fields South of Calgary is proceeding with satisfactory results.

Manufacturers in all lines have been busy, I believe, with reasonable returns. The flour millers have enjoyed a better business and sales of merchandise generally have been heavy though perhaps with only fair profits.

Railroad Construction Heavy

The year has been marked with a very heavy program of railway construction in Western Canada, which put a good deal of money into circulation. The indications are that further construction of this character will be carried on in 1929, and at the same time there are important water-power developments promised from Manitoba and elsewhere, all of which provides a profitable outlay for Canadian industry and energy.

Building Permits Up

Building permits in Canada in 1927 amounted to $400,000,000, and for this year, so far as statistics have been prepared, the increase in contracts is about 20 per cent., and contracting firms are said to have as much work as they can conveniently handle and at satisfactory figures.

On his return from a Western trip, President Beatty of the C.P.R. is quoted as follows: "I have never seen the country looking better, and in all my experience I have not previously found so general a feeling of complete confidence in this country and its possibilities." This to some extent sums up my present feelings with regard to the immediate future. Conditions in Canada are largely governed by the profits from agriculture, which seems to be on an assured basis, and given a continuance of the prosperity which the agriculturists have enjoyed for the past few years I see nothing ahead to check the development of the country and the growth of the Bank's business.

I had it in mind to say something about stock speculation, but have decided not to do so at any length. While my convictions have not altered that the present boom in stocks is going to result sooner or later in a crash of some kind, it is evident to me that the warnings of bankers and Federal Reserve opposition in the United States and high money rates for call loans have utterly failed to stop the terrific pace of trading and predictions as to when or how the situation will come to an end are useless.

Before sitting down I would like to join in Mr. Howland's tribute to the late Ass't. General Manager, Mr. G. D. Boulton. He was a man of ripe experience and sound judgment, and as a colleague to work with he could not be improved upon. He is greatly missed in the Head Office of the Bank.

The following shareholders were elected Directors at the Annual Meeting Imperial Bank Shareholders today: Peleg Howland, Sir James Woods, Sir James Aikins, K.C. (Winnipeg), Lt. Col. J. F. Michie, Frank A. Rolph, R. S. Waldie, Geo. C. Heintzman, J. W. Hobbs, Walter C. Laidlaw, John A. Northway. At a subsequent meeting of the Directors, Peleg Howland was re-elected President and Sir James Woods, Vice-President for the ensuing year.

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Expect Good News at Meet of Sudbury Basin Shareholders

CANADIAN MINING NEWS

Regular Weekly Department of The Financial Post

Canadian Mines Will Pay Thirty Millions This Year

MINING. CORP. CONTINUES TO FIND SILVER

Cobalt Mill Treats 200 Tons Daily — Clean Up Old Veins

LORRAIN PROGRAM

Sink Shaft Near Noranda Boundary — Hold Big Block Hudson Bay M & S Stock

By Staff Editor

COBALT. — Mining Corporation has completed the cross-cut connecting its workings with the McKinley-Darragh property and is now running ore from its one time neighbor through its own mill. It is stated that the daily tonnage obtained from this source runs from 50 to 75 tons a day.

On its own property, Mining Corporation is engaged in cleaning up the old veins. Considerable high grade was left standing in pillars to support the old workings when exploratory work was being carried on in the earlier days of the property. Now that the possibilities of the property are believed to have been ascertained and the bulk of the high grade secured, miners are engaged in retracing their steps and recovering rich spots that were allowed to stand as supports before and cleaning up the floors.

This work has been going on for the past four or five years, at Mining Corporation and also at Nipissing, which with the O'Brien form the Cobalt rear guard.

Milling 200 Tons a Day

"Mining Corp." and "Nip." are generally conceded to be drawing on their last reserves, while the O'Brien is believed to be a vigorous youngster with a good many years ahead of it yet. The Cobalt old timers, however, like the Dome in Porcupine, have the happy faculty of hanging on, and each year's development work results in sufficient ore being put in sight to assure operation for another year. To-day Mining Corporation is milling 200 tons a day, and the end is not yet.

Mining Corporation has of course several more strings to its bow than the Cobalt property. It has a large acreage in South Lorrain, including the famous Frontier Mine. This latter property was opened up by the Union Carbide Co., a United States corporation, during the war. The American company required Cobalt to be used as an alloy in the manufacture of stellite. The price demand for Cobalt by the Canadian and African mines was considered too high, and the company determined to mine its own cobalt. The Frontier property was obtained for this purpose, but it was found after operations were well under way that the Frontier was a high grade silver mine. Cobalt was what Union Carbide was after, however, so a deal was made with Mining Corporation, and the property passed over to it.

The company has mined the Frontier extensively since then. At the present time it is taking out cobalt and high grade and piling it on the dump. This work will be continued throughout the winter, and shipping to the Cobalt mill will start in the spring.

During the past summer Mining Corporation carried out extensive surface exploration operations on its South Lorrain property, including an electrical survey by the Radiore Corporation. The work of the field staff has been since checked and plotted, and is now being followed up by the sinking of two new shafts in the Lorrain sedimentry area, two miles to the east of the Frontier property. The two shafts will be sunk to a depth of 250 feet and cross-cuts driven out to intercept the contact between the sediments and keewatins. It is in this formation that high grade silver is usually found.

Active Near Noranda

Public interest in Mining Corporation of late has largely hinged on the possibilities afforded by the United Verde Extension or Murray claims it has acquired. This is a Rouyn property and lies next to the Noranda Mine which it adjoins on the north.

United Verde Extension sank a shaft on this property 20 feet north of the Noranda boundary to a depth of 235 feet, established a level at 215, and carried out over 1,500 feet of lateral work.

Results obtained were apparently not up to expectations as it later relinquished its option. Noranda, however, has secured its most favorable results at depth, and it was no doubt on the assumption that similar results should be obtained on the Murray property, that the option was taken up by Mining Corporation.

Since taking over, Mining Corporation has resumed shaft sinking operations and it is stated will sink to a depth equivalent to Noranda's 975-foot level. This work was started this week. The job has been let by contract, a crew of 20 to 30 are employed, and it is estimated it will take from five to six months to complete this work.

An interesting feature is that Noranda's new shaft is located but 400 feet away, and the work of opening up this ground by shaft sinking is going on simultaneously on the two properties.

Mining Corporation's extensive holdings of Hudson Bay Mining and Smelting Co. stock, which in the last annual report were stated to be 185,499 shares, form one of its most attractive assets in the eyes of the speculating public. This has been reflected in the market lately, when an upward swing in the Flin Flon mine was immediately followed by renewed strength in Mining Corporation.

Canadian speculators in the past have more or less played shy of Mining Corporation for a market play, owing to the fact that the English stockholders have steadily maintained the practice of taking their profits and thus left the Canadian speculator holding the bag all by his lonesome when the high was reached. A change is reported to have taken place of late, however, and the several attractive speculative features of the company have increased it in favor with the trading public.

Not the least of these of course is the fact that the stock is at current quotations returning a yield of over seven per cent. and its liquid assets have been estimated to amount to some $3.30 a share.

May Add Another to B. C. Gold Group

The recent high grade strike on Alexandria Gold Mines, British Columbia, looms like a new discovery of importance and may result in adding another purely gold operation to the one lone lode gold producer now in B.C., namely Hedley.

The new find has opened up from 9 to 15 inches. When first cut the ore averaged $128 per ton. The ore follows a dyke on both sides of the main drift. Its possibilities are yet unknown.

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BASE METALS OF BEN NEVIS LOOM LARGE

Showings Show Good Lengths and Widths with High Values

WORK QUIETLY DONE

Interprovincial, Brett-Trethewey, Ben Nevis and Camphil Are Leaders in Area

That Ben Nevis area in East Kirkland Lake may rival Rouyn and Northern Manitoba in the production of base metals is the conclusion to be drawn from engineers' reports on the lengths, widths and grade of ore that is being opened up in this section.

Not a great deal of information has come out in regard Ben Nevis because operations to date have been more or less privately financed.

Backed by Montreal

Inter - Provincial Exploration, which is backed by a Montreal group, many of whom are connected with Montreal Power, is the most advanced effort, while Ben Nevis Mines and Camphil Syndicate have just financed diamond drilling companies for their holdings and incidentally bringing into the area strong New York interests. Brett-Trethewey, 6 miles south west has an important copper showing, carrying erratic, and, in some cases, high gold values.

Interprovincial shaft is now down over 300 feet and lateral work is proceeding at 325-ft. as well as higher up.

Surface work revealed a large andesite zone in which there were three important fracture zones. These were trenched and one opened up for a length of 300 feet and sank on for 40 feet gave good showings of lead and zinc sulphides.

In work on the 125-ft. level one of these fractures was cut, and it showed commercial percentages of zinc and lead with zinc predominating. The ore was found to extend for commercial widths outside of the fracture. No lateral work has yet been done.

At the 225-ft. level in the shaft, a fourth fracture was intersected which was not exposed on the surface due to the heavy overburden. Lead is the predominating mineral and varying amounts of this mineralization is exposed over a width of six feet. The showing still is visible in the bottom of the shaft, and it appears that the full width is not yet uncovered.

Geology Favorable

The area east of the shaft shows disseminated lead ore of almost commercial grade. The geology is favorable for a deposit of this character. The fracturing is intense and all evidence indicates that it is deep seated. A source of lead silver mineralization appears to have been reached and the rock and fracturing already show that they have a favorable influence on the deposition.

The underground development at the mine is proceeding at a rapid rate. Important information will be disclosed by the proposed south cross-cut from the 225-ft. level. This work will supply excellent data regarding the economical value of the outcrops. Enrichment in the brecciated zone may be looked for in those places where the fracturing is more intense, due to transverse fracturing and also at the intersection of the basic dikes, of which, many outcrop in the area.

Copper Showing

Copper-gold ores exposed in the rhyolite breccia on the neighboring Brett-Trethewey property are important and indicate a large tonnage of ore running in the neighborhood of 1½ per cent. with gold values somewhere between $1 and $4. On the property of the Inter-Provincial Exploration Co. there is a similar zone of rhyolite breccia south of the shaft which is now being prospected. The outcrops compare favorably with those on the Brett-Trethewey. Geological conditions on the property of both companies are identical.

Little stress has been given to gold values in the lead ores recently opened up on the 225-ft. level. Appreciable values in gold have been obtained from two samples which were taken from the ore exposures on this horizon.

Assay values from these samples indicate the results being obtained, which are:—

	Sample 1	Sample 2
Lead, per cent.	7.84	8.10
Zinc, per cent.	11.48	2.44
Copper, per cent. ..	0.52	0.20
Silver, ounces	4.70	3.60
Gold, ...	$3.50	$4.60

East Sudbury Deep

Favored with speedy delivery of equipment, East Sudbury Deep engineers have made exceptional progress in the installation of machinery in the mill of the LaBellevue Gold Mine in Oregon.

All the Wilfley tables have been set up, the bucket elevators installed, and the belting fitted. Word was received in Toronto this week that the stamps were turned over and that the crushing end of the plant was complete.

RICH ORE ON DUTHIE

Duthie Mine, in Smithers section of British Columbia, has drifted another 20 feet on the rich ore shoot in the new level, making a total distance on the ore of 250 feet. The face of the tunnel is said to be still in good ore.

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Post Predicted Nickel Merger Month Ahead; Told of Better Smelter Position 2 Months Ago

On September 28, The Financial Post published two articles on the front page of its mining section, with double column heads which read, "Two nickel producers may work much closer following Mond visit." "Smelters will earn $30 per share on increased output."

On that date International Nickel was selling at $123, Mond at $31 and Consolidated Smelters at $266.

A month later the plans to merge the two nickel companies were revealed and International Nickel has since sold at $223 and Mond $42. During the past week the market took cognizance of the improved outlook for Consolidated Smelters and the shares sold up to $400.

Incidentally when The Post's hint of the nickel merger appeared it met with vigorous denial from Lord Melchett, who was then on a visit to the Mond Smelter at Coniston.

Dividend Payments By Canadian Mines $30,000,000 in 1928

Consolidated Smelters Leads with Hollinger and Nickel Following — Teck-Hughes Leads the Gold Operators with Near Three Million

MANY OLD OPERATORS STILL PAYING

List Includes Nipissing, Mining Corporation, Dome and Keeley — Six Companies Pay Over $1,000,000

Dividends distributed by Canadian mines during the present year will total around $30,000,000. The total of dividends declared and those that it is certain will be declared before the end of the year now total $26,508,000. There are several other dividends to come, but it is not certain just what they will amount to.

Consolidated Smelters tops all the other Canadian mines with a total that falls slightly under that of Hollinger last year. Hollinger ranks second, having paid two per cent. for nine four-week periods before the reduction was made to one per cent. International Nickel ranks third with a distribution of close to $4,000,000. If reports are right the Nickel merger will step to the front next year with a distribution that will total half the present total of all mine dividends on its common alone and in addition there will be the distribution on the two classes of preferred shares.

Teck-Hughes with $2,858,000, Lake Shore $1,600,000, Premier $1,150,000, three precious metal operators, make up the balance of the operators that are distributing more than $1,000,000 yearly.

Below the million dollar dividend payers are a number of old familiar companies, including Dome, Nipissing, Mining Corporation, Keeley, all four of which are credited with having seen their best days and are now on their way back. They show remarkable ability to hang on, however, and shareholders are still being remembered with regularity, even though the payments are not as generous as they once were.

It is just a little difficult to justify placing Howe Sound entirely in the Canadian column as this company also has an operation in Mexico. Granby Consolidated is a British Columbia operation that is looking a great deal better and which is enjoying one of the best periods in its history this year. In the last will be found some of the British Columbia and Alberta coal companies as well.

The following table besides giving the dividend payments for this year, also shows the market valuation which the present market price places on these operations. This column was included principally because of the sharp rise that has taken place recently in the shares of Consolidated Smelters which is now selling around $390 per share. At the high of 400, the valuation of the enterprise was over the $200,000,000 mark, but at that it fell considerably short of International Nickel which is now valued at slightly over $300,000,000. The valuation on the two Nickel companies when they come together, promises to be terrific, if present prices are anyway maintained after the merger is completed.

It is interesting to note also that these two ventures are the only two dividend payers that are rated by the market at over the hundred million mark. Noranda is another that should be classed with the leaders, it being valued around $150,000,000. If Mond's preferred was included with the valuation of $90,000,000 on the common, it would also be found in the select circle.

The greatest decline in valuation has been that of Hollinger which is now rated at $40,000,000 and which only a little over a year ago stood around $110,000,000.

Dividend figures along with the market valuation follow:

Company—	Shares Issued	Par Value	Present Price	Dividend Rate %	Paid 1928	Market Valuation
Consolidated Smelters	508,863	$25	$390.00	10+40	$6,360,792.50	$198,454,570
International Nickel	876,372	$25	220.00	12	3,917,355.00	302,801,840
Hollinger	4,920,000	$5	8.25	*13	5,658,000.00	40,590,000
Mond Nickel	2,500,000	10s	36.00	**7½	445,000.00	90,000,000
Teck Hughes	4,764,144	$1	8.25	60	2,858,486.40	39,304,188
Lake Shore	2,000,000	$1	18.00	80	1,600,000.00	36,000,000
Premier	5,000,000	$1	2.25	23	1,150,000.00	11,250,000
Dome	953,334	no par	8.50	$1	953,334.00	8,103,339
Nipissing	1,200,000	$5	3.00	6	360,000.00	3,600,000
Mining Corp.	1,660,050	$5	3.80	5	415,012.50	6,308,190
Howe Sound	496,038	no par	....	$4	198,415.00	....
McIntyre	798,000	$5	22.00	20	798,000.00	17,556,000
Granby Cons.	444,603	$100	....	1	444,603.00	....
Wright Hargreaves	5,500,000	no par	2.00	12½	687,500.00	11,000,000
Duthie Mines	1,000,000	$1	....	4	40,000.00	....
Crows Nest Coal	621,206-2/3	$100	.. .	5	372,690.00	....
Keeley Silver	2,000,000	$1	.40	4	80,000.00	800,000
Inter. Coal	3,000,000	$1	....	2	60,000.00	....
Hillcrest	1,000,000	$100	....	6	†109,399.00	....
					$26,508,740.00	

*Reduced, passed Oct. 6. **Interim †Includes preferred also

SHERRITT DRILLS INDICATE 50 FEET MINERALIZED ZONE

Estimate Shaft Sinking to Date Has Opened Up 10,000,000 Tons

"Sherritt-Gordon is shaping up as a mine of great size," according to views expressed in a review of the Manitoba mining situation, issued by Manitoba Industrial Development board. It states that development work on the property has gone ahead rapidly and shaft sinking done so far has indicated around 10,000,000 tons of ore with diamond drills indicating widths up to 50 ft. with values running above previous estimates of $14 values.

Diamond drilling work on the Oak claim on the west end of the property has been encouraging and indicates that a third shaft will be required with a total length of approximately three miles to be developed. The main deposits are being developed by two shafts 7,000 feet apart covering these deposits to a length of 12,000 feet.

Encouraging results have been reported in connection with the diamond drilling campaign carried out during the summer on the Shellett property of the Sherritt-Gordon mines. This property is situated at Shellett Lake about 8 miles east of the main property of the company. The programme so far completed has consisted of a series of drill holes to depths of around 250 to 300 feet with values in copper and gold.

Feeling That Noranda Will Merger, Grows

Late in October, in discussing the Nickel Merger, The Financial Post suggested that "Noranda may be next," and asked the question "are those in control of nickel now out for control of Noranda." Recent action of the stock strengthens the belief that this is coming about. Montreal and New York have been heavy buyers of Noranda and must have accumulated a tremendous holding by now.

The gossip is that Noranda's smelter production, along with the copper output of the merger nickel companies, will make possible a substantial electrolyte refinery and give control of a supply of copper that would have an influence in the copper market and therefore with the copper, producers association, which controls the supply of the bulk of the copper output of the world for market purposes.

Cold Lake Options Ruby, Lead, Zinc

The Ruby property on Herb Lake has been optioned by Cold Lake Mines. The group consists of nine claims on Wekusko River opposite the Rice Woosey property now being drilled with considerable success by the Lindsley interests. The Ruby property is said to have one of the most important outcrops of commercial grade lead-zinc ore in Northern Manitoba. There has been considerable work done on the property including deep test pits and trenches—one trench across the surface of the ore showing 50 feet of good galena and 35 feet of high grade zinc, a total of 85 feet. The zone has been traced for over 800 feet in length. The average of a number of samples from the various trenches and pits ran 17 per cent. zinc, 4 per cent. lead and 6 ounces silver. It is believed to be fairly representative of the grade of ore. It is understood that shaft sinking will be launched and carried out this winter.

Copper Mountain group at Cranberry Portage which Cold Lake had under option has been dropped.

NEW NICKEL VENTURE HAS FINE CHANCE

Situation Different Than When B.A.N.C. Invaded Market

ORE BODY LARGE

Falconbridge Nickel Situation Presents Many Interesting Phases

The entry of Falconbridge Nickel into the nickel-copper situation has occasioned a great deal of discussion. The ability of the sponsors of this operation to compete with the merged companies, Mond and International, has been raised by a number of engineers and also by some brokers in discussing the situation with clients.

Undoubtedly the fate of British American Nickel Corporation is a bearish factor in the situation. This been one of the weakening influences in the price of Falconbridge which recently came on the market above $5. Another was the report that the issue was away oversubscribed. Because of this report it is said that many brokers who secured blocks of stock did not place the stock with clients, instead they held, believing that so many would be disappointed with the small portion allotted that there would be a rush for the shares when they came on the market. Thus in place of a small commission, there was a possibility that they would take down a profit of from $1 per share on. This did not materialize and called upon to take up their stock from the treasury of the company, they have had to take a loss to finance instead of a profit.

Merger Will Help

In regard the question of being able to enter into competition with the merged nickel producers, there are some interesting factors to consider. Financial interests in close touch with the Falconbridge deal, state that it was only launched after a great deal of investigation and study and the decision to proceed with the operation had been arrived at some time before the announcement of the proposed merger of International Nickel and Mond Nickel. The change in the situation, it is stated, as a result of the merger, will greatly improve the chances of Falconbridge. This is particularly true of the United States market where the bulk of nickel produced is now used.

There is a radical difference between the situation which existed at the time that British American Nickel Corporation was trying to get its head above water and failed and the present. There are many who were interested in the B. A. N. C. situation who declare, that had those who threw the venture into liquidation, only exercised a little patience, instead of failure there would have been another flourishing company to-day.

Market Was Narrow

When B. A. N. C. came into being, armaments provided the one big use for nickel. That meant that there were not more than perhaps a dozen large purchasers of nickel and made it a tremendously hard market to cut into.

To-day it is estimated that there are at least 600 uses for nickel and the list is growing steadily. Its possibilities as an alloy are said to be unlimited and there is such a demand from all over the world that it is regarded as a common commodity of the world, the ramifications and uses for which are innumerable. When the merger of the two companies is completed it will mean that 90 per cent. of this product will be under the control of one company. It is also understood that from an industrial point of view that this control will be quite close to 100 per cent.

What will be the attitude of the nickel merger to the Falconbridge entry into the market? It will be at least two or three years before this will make itself manifest, if at all. It is understood that the methods of smelting and refining nickel have now come so well known, that it is possible for a new concern to step in and get within striking distance of their cost of production, which it is understood is around six cents per pound.

Will They Cut Price?

What some engineers say is anything but a sound argument, is the contention that the merged nickel companies will cut the price of nickel to a point where there will be no profit, when the new producer appears. While such a situation is a long way off, there are engineers who declare that it will take more than one company to induce those in control of production to cut the price of nickel below the present level of 35 cents, for once they lower it, they will have a hard time getting it back.

Falconbridge Nickel has a long surface outcrop and diamond drilling has indicated 5,000,000 tons of nickel copper ore down to the 500-ft. level. The grade of this is said to be about the average of the Sudbury camp, but engineers who have examined the property state that there are sound geological reasons to believe that deep developments may show a substantial copper enrichment as was the case with the Frood at depth. This is the reason for carrying the shaft down to 1,000-ft. level. At this horizon this theory will be tested out.

Pawnee Needs Funds to Carry on Work

The market action in the shares of Pawnee Kirkland would seem to indicate that the operation is about to close down. Pawnee is known to be pretty shy of working capital and all the share capital has been issued. It is likely that a reorganization will result.

Pawnee shares were sold heavily this week, there being a regular flood of offerings and at one time, it was stated that a block of 50,000 was offered by one broker.

Pawnee shares came on the market with quite a blare of trumpets from Montreal and quite a number of people purchased at around the 90 cent mark.

COBALT WOULD BUILD SMELTER FOR NORTH LAND

Capital is Available if Scheme is Proved Feasible

By Staff Editor

COBALT.—The construction of a smelter at Cobalt to treat the silver and cobalt ores of Cobalt, Gowganda, and South Lorrain, as well as the copper and zinc ores lately opened up in northern Ontario and Quebec, was discussed at a recent meeting of the Cobalt Board of Trade. A committee is now working on the project which has the endorsation of the Haileybury and New Liskeard boards of trade as well.

The construction of a smelter, it is stated would enable 50 ounce silver to be mined at a profit, and would assure the opening up of a great many properties now lying dormant.

Captain W. H. Jeffery of Haileybury, who was associated with the construction of a number of smelters in British Columbia and the State of Washington, informed the Cobalt meeting that a Montreal financier had announced his willingness to finance the smelter construction provided it was established and conditions were such as to warrant its success.

Captain Jeffery was of the opinion that there were sufficient quantities of silver, copper and gold ore in sight to assure the commercial feasibility of a smelter.

The smelter question is receiving the hearty endorsation of the citizens of the three towns, as its construction would have a far-reaching effect on their continued growth and prosperity. It is said it would assure the opening up of a silver area from Timagami to Gowganda, and would also enable the Timagami Forest Reserve mispickle, or arsenical iron deposits, carrying gold values, to be developed. It would also solve the smelter problem faced by such mines as Amulet, Abana, and Amity.

A local smelter it is pointed out would enable mining operators to do away with all equipment other than the mining plant itself. All that would be required would be the mining of the ore, and the shipping of it to the smelter. Cobalt is believed to be the logical location for a smelter to treat the ores of Northern Ontario and Quebec. It has all the necessary railway facilities in the matter of sidings, has adequate hydro-electric and compressed air power lines, and is in the heart of a mining country whose development it is stated is but yet in the initial stage.

In regard to the camp of Cobalt it is said that the mines have only worked for high grade in the past, but that a smelter would enable large deposits of low grade to be opened up and would prolong the life of the world's most famous silver camp indefinitely.

Aconda Makes Payment On Ross-Whiteside Claims

TIMMINS. — Aconda is reported to have made its first option payment of $10,000 for the Ross claims, Whiteside Township, Kamiskotia. The payment followed a month's examination and sampling of the ground.

The ore on this property is found in association with pegmatite dykes. The tin discoveries at Shatford Lake in Manitoba were also found in association with pegmatite. Tin assays were reported to have been secured in Kamiskotia some time ago, but this area has been principally prospected for copper.

MUCH NEWS ABOUT BASIN FOR MEETING

Coming Meeting May Show Company's Wide Ramifications

OFFER FALCONBRIDGE

Shareholders Asked to Pass on Deal to Buy Into Nickel Venture

A special general meeting of Sudbury Basin mines, called for Dec. 5, to pass upon an offer of Ventures, Limited, to sell the company a substantial block of Falconbridge Nickel shares, may be turned into a field day for information, if shareholders prove inquisitive enough and are able to inveigle Jos. Errington into a full discussion of the company's position.

It is doubtful if many shareholders have any idea of the full ramifications of their company. When one speaks of Sudbury Basin Mines, it is generally to associate it with the Vermillion Lake venture, which adjoins Treadwell-Yukon on the west. This is only one of the company's numerous holdings, and while it is substantially ahead of others in development, it is not being pushed at present.

Vermillion Lake

A very extensive diamond drilling campaign was conducted on this property and it was announced that two shafts would be sunk. Later these plans were abandoned and diamond drilling continued. This was taken by some as indicating that the property was not just what was first thought and the shares sold off substantially. Later, all but one drill was taken away to Falconbridge. Treadwell-Yukon reports were discouraging and Sudbury Basin went down in sympathy.

Change for Better

The past month, however, has seen a remarkable change in this whole situation, and Mr. Errington may have very important details to give in this regard. For instance, the whole complexion of the Treadwell venture changed, almost overnight. Developments underground are greatly improved, especially in regard the complex ore. This change is just as important to Sudbury Basin as to Treadwell, though it has been credited with having an ore that contains less harmful ingredients than the earlier ore on Treadwell. In addition to this it is understood that the Basin's latest hole, which cut the ore under Vermillion Lake is said to give the best core of any pulled in the camp to date.

Offer of Shares

Ventures Limited offers Sudbury Basin 1,250,000 shares of Falconbridge for $600,000 cash and 300,000 shares of Sudbury Basin stock, plus an option on an additional 200,000 shares at $10. The option runs to Dec. 31, 1930. It is impossible to put a value on the option at present, but at a valuation of $8 for Sudbury Basin, the price of Falconbridge works out at $2.40 per share and this stock is now selling around $5.

The tendency of this deal would be to keep this large block of Falconbridge off the market, as for some time at least, rights to Sudbury Basin shareholders are not to be considered, and at the same time it will give the Lindsleys 300,000 shares of Sudbury Basin and an option on 200,000 more and ensure the latter company a ready supply of new funds, if it is pressed at any time. Incidentally it will make it much easier for the Lindsley interests to keep control of both Falconbridge and Sudbury Basin.

Obaska Mines Drill Louvicourt Ground

HAILEYBURY. — Obaska Mines has let a contract for 2,000 feet of diamond drilling to be carried out on its property in Louvicourt Township, 25 miles north of Senneterre, Que. Roads have been cut to the property, and camps built so that no delay will be faced by the drilling crew now on its way in.

K. B. Heisey, president and managing director of Obaska Mines, states surface work has exposed an ore shoot from seven to twelve feet wide. Channel samples, he states, have given values of 3.5 per cent. and 4.4 per cent. in copper, and from $2 to $3.20 in gold.

Heavy overburden has restricted trenching and the drilling will be carried out to establish the length and depth of the ore shoot.

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Cross Lake Attracts Increased Attention

From Our Own Correspondent

COBALT.—The O'Brien Mine is reported to have struck a 20-inch vein of high grade silver on the bottom level of its Cross Lake property. Although little or no information has been given out by the company, which is a close corporation, privately financed and owned by the O'Brien interests of Ottawa, current report in Cobalt is that much success is being obtained in the development of the Cross Lake property. It is said a new mine with 2,000,000 ounces of silver has been put in sight from which daily shipments of 50 tons of ore are being made to the O'Brien Mill in Cobalt. The latter property has been in successful operation for a number of years.

The success the O'Brien is credited with obtaining at Cross Lake has revived interest in that section and there is a possibility of other properties being opened up.

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LARTIC PLANS LATERAL WORK BY NEW YEAR

Shaft Down 110 Feet, Will Sink to 250 — 3 Drills Working

From Our Own Correspondent

AMOS.—Lartic Mines will start lateral work about the first of the year if the present rate of progress is maintained in shaft-sinking. The new mining plant has been completely installed and three drills are employed in boring through the rock that must be removed to make way for the two-compartment shaft that is being put down.

Lartic has now completed the erection of a substantial set of camp buildings which were in course of construction the last time The Financial Post visited the property. The steam-driven mining plant, which was then being assembled, is reported to be functioning smoothly.

The shaft which has reached a depth of 110 feet is being put down at the rate of five feet a day. A station will be cut at a depth of 125 feet, following which the shaft will be continued to 250 ft., here a second station will be cut and lateral work proceeded with.

The new shaft is located in about the middle of the property and about 25 feet from the vein. Judging from the dip of the vein from surface, it is estimated some 100 feet of cross-cutting will be required to intercept it from the 250-ft. station. When this is done, drifting will be carried out in both directions.

Mine Manager L. G. Smith, of Newbec Mines, is also supervising the development of Lartic Mines, Newbec having undertaken the work for a stock interest and option to secure control if developments warrant such a step.

MALARTIC RAIDS CONTINUE AND PRICE WEAKENS

Latest Gossip from North is That Recent Drilling Favorable

Malartic Gold Mines shares broke to a new low of 80 this week. Some wild reports are being spread, obviously with the idea of knocking the price of the stock down.

The situation at the property seems to size up as indicating that Malartic will open out into a very large venture or one so small that it will not be worth bothering about.

Much ado has been made of cutting porphyry in diamond drilling. In other camps porphyry is a favorable factor, yet it is touted to the skies as a liability in Malartics case.

If the porphyry proves to carry values, as does the porphyry in Kirkland Lake, it would be a sensation. Meanwhile it is looked upon as having come in and cut off the gold bearing vein developed from surface to the 375-ft. level.

Reports from the north are to the effect that recent drill holes have shown an improvement in conditions.

Malartic loomed like a large tonnage low grade operations and the fact that the vein narrowed sharply to 7-ft. below the 375-ft. level, caused the first break in the price of the shares.

NEWMONT TO VOTE BONUS OF STOCK

Company Has Had Good Year—Kennecott Holdings Have Enhanced

Newmont Mining Co., a New York Company in operating control of Hudson Bay Mining and Smelting, will give its shareholders a Christmas present of a 5 per cent. stock bonus in December at the same time that the quarterly dividend of $1 is declared. Such a bonus has been paid for the past two years.

Newmont derives its earning power mainly from dividends on stocks which it owns, and also from profits accruing from the sale of some of its securities. Aside from being a security holding company Newmont also finances and develops mining and other enterprises. The extent to which the sale of securities sometimes enhances earnings of the company was demonstrated to a marked degree in 1927. During that year the company sold its holdings of Texas Gulf Sulphur at a handsome profit. This contributed materially to the extraordinary earnings of $14,493,449 after charges and Federal taxes shown by the company for the year ended Dec. 31, 1927, which was equivalent to $32 a share on the 452,760 shares of capital stock outstanding of $10 par value compared with the previous high record of $4,113,671, or $9.08 a share in 1926.

Net Profits for Six Months

As has been pointed out previously in these columns, it is understood that net profits of Newmont in the six months ended June 30 last were approximately $10 a share on the capital stock outstanding. While earnings so far in the last half of the year have continued at a satisfactory level, it is not expected that the company's earnings in the current year will approach the exceptionally high showing of the past year. Of course, the trend of the stock market may be a determining factor in prompting the management of Newmont to dispose of certain of its securities during the remainder of the year, in which case present earnings would be augmented. Newmont does not make public its earnings reports at quarterly or semi-annual periods, but issues an annual statement.

Newmont's present holdings of Kennecott aggregate between 200,000 and 250,000 shares. Since a large percentage of this stock was acquired in the past few years while the shares were selling at prices materially lower than present levels, the company has experienced a handsome profit through the increased value of Kennecott shares. At the same time Newmont has been receiving liberal dividend returns. Dividends paid by Kennecott during present year totaled $5.25. Figuring on the amount of Kennecott stock which Newmont is understood to hold the new annual basis of $8 a share on Kennecott will be sufficient to take care of Newmont's entire year's $4 dividend requirements on its outstanding capital stock.

Jackson-Manion Break Was Hardly Justified

Engineers Express Opinion That Shares Around 90 Were Above Intrinsic Value, But Barren Level Does Not Disturb Them

Attorney-General Price's probe into the market situation on Jackson-Manion should prove beneficial. There have been too many of these mysterious breaks in the market. Jackson-Manion was by no means the worst, but the fact that it is being probed, may mean that future raids on stocks may not be so glaring.

Jackson-Manion, which broke very much like Malartic, was, like Malartic, selling away above its intrinsic value. No one, in either case, would accept responsibility for the selling which developed prior to the release of the unfavorable news.

On the other hand, engineers all agreed, that so severe a break in Jackson-Manion shares was hardly justified by the possibility that the 250 ft. level was barren. All gold mines have sections that are barren of values. Teck Hughes is a notable example of this.

The contention of engineers is that if the old price of above 90 was justified, then there was no justification for pounding the stock down to below 20.

Jackson-Manion surface showings were tremendously rich and N. A. Timmins Inc., was induced to option the property and proceeded to explore it by diamond drill. Sixteen holes were put down and it is said that the values in the drill core were quite disappointing. The Timmins interests pulled out when the vendors refused to modify payment terms pending further exploration.

NEWBEC MAKES GOOD PROGRESS SHAFT SINKING

Surface Drilling Program Postponed — To Continue From 250 Level

By Staff Editor

ROUYN.—Newbec is making good progress in shaft-sinking. The shaft is now down to a depth of 105 feet and is being sunk at the rate of four feet a day. Two drills are employed in the work, air being supplied by the new oil-driven compressor.

A station will be cut when the 125-ft. horizon is reached following which the shaft will be continued downward to 250-ft. where a second station will be cut and lateral work started.

Diamond drilling from surface has been suspended, following the freezing of the 500-foot pipe line. A total of 18 surface holes were put down by Newbec before weather conditions necessitated a postponement of this programme.

A diamond drilling campaign will be laid out on the 250-ft. level and horizontal holes put in to explore for conditions similar to those revealed by drilling from surface and from the 60-ft. level.

The new plant has been completely installed and is reported to be working smoothly. L. G. Smith is in charge of operations and has a force of 22 men employed on the property.

WEST KOOTENAY GOES INTO SLOCAN WITH POWER LINE

From Our Own Correspondent

NELSON, B.C.—That hydro-electric power developed at Bonnington and South Slocan will be made available to mines and communities of Slocan, and probably right through to Kaslo on Kootenay Lake, service past Sandon being contingent on business offering, and that this service is expected to be in effect early next September, is announced by Lorne Campbell, vice-president and general manager of West Kootenay Power and Light Company. The cost of transmission line and of the necessary distributing stations wherever loads offer, will be $450,000. Material will be assembled this winter and construction of a 75-mile line will start as soon as weather will permit. This decision has just been taken.

Over $250,000 has been invested in power developments or power installations in the Slocan hinterland in the last two years. Kaslo City and Kaslo mining men are discussing the securing of power from City of Nelson. Slocan has long dreamed of commercial power for its ore bodies and the day of realization has suddenly arrived.

Explaining the decision to serve Slocan, Mr. Campbell says: "At the present time we do not consider it a commercial proposition to make this connection but taking into consideration operating conditions that have obtained in Slocan for several years, we feel that a continuous power supply at reasonable rates will be the means of increasing production and probably of bringing in some of the low-grade properties not now operating, their failure to operate being due in great part to high power costs and erratic power supply based on mountain streams."

With the No. 3 plant about to start up, the company will shortly be turning out 162,000 h.p., which the projected plant on Pend D'Oreille will increase later to 242,000 h.p.

Abana Pushing Work on No. 2 Ore Shoot

Abana Mines, N. W. Quebec, has resumed development. Crosscutting started on No. 2 ore body at No. 3 crosscut, which is 300 feet east of the diabase dyke, reported to be in high-grade ore, with the indications that the width will be as great, if not greater, than in the preceding two crosscuts, which showed a width of 35 feet of high-grade copper and zinc ore, averaging well over $30 per ton. This development work which is now proceeding on No. 2 ore body, is for the purpose of fully ascertaining the length and width of this body east of the diabase dyke. This ore body was drilled from the surface a few years ago at a point 150 feet farther east than No. 3 crosscut, and the indications are that No. 2 ore body will extend this distance farther east, if not greater. The new Diesel engine is handling the new 700 cu. ft. Ingersoll-Rand motor-driven compressor and 1,000-ft. capacity electric hoist very smoothly.

Quebec's Aid to Mine Roads Quite Heavy

By Staff Editor

AMOS.—That the Quebec Government is fully alive to the needs of the mining companies in this district and ready to extend to them its full co-operation is evidenced by the road building programme now under way. When completed these roads will connect the Malartic, Sladen-Malartic, Malrobic, Thompson-Malartic and other properties in the Fournière-Malartic section with Amos, by way of the Heva River and Blais Cache. The new road will extend west along Lake Malartic to the colonization roads already opened up along the Harricanaw River.

A second road running along the eastern shore of Lake Malartic will serve the Siscoe, Sullivan, Greene-Stabell, Parker Island, and Lorrette Mines in Dubuisson Township.

When it is remembered that most of these properties are still in the prospect stage, the action of the government denotes the measure of faith it has in the future of the mines.

Its action is particularly commendable in view of the fact that it has but just completed a motor road over one hundred miles long affording access to the Quebec mining country from the Ontario border. This road permitted motor travel during the past summer from New Liskeard to Rouyn and Noranda, and from these two towns to Amos by way of Macamic. The road was completed at a cost of over one million dollars.

Citizens of Rouyn made application to the government for a grant to assist in cutting a winter road east to the Thompson-Cadillac, O'Brien, and Graham-Bousquet mines in Cadillac Township.

It is understood that the government having spent all moneys voted for mining roads, refused the petition. The work is reported to be going ahead financed by funds raised by private subscriptions from Rouyn merchants.

CLERICY DRILLING ITS GOLD CROUPS

Will Check Up Surface Assays and Ore Widths at Depth

Clericy Consolidated Mines has started diamond drilling on its gold property at West River in Sudbury area. Surface work revealed five veins which have lengths of from 40 to 600 feet with widths conservatively estimated at from 3 to 14 feet over their known lengths. Surface sampling in the various pits gave values of $5.79 to $50.25 in gold, and one channel sample across 5 feet in No. 4 vein gave $30.25 in gold per ton.

A test-pit in No. 2 vein disclosed a good grade of galena in quartz carrying silver values. A representative sample from the bottom of the pit ran 14.25 per cent. lead, $7.20 silver and 40 cents in gold. This vein has been traced for a length of 150 feet, averaging three feet in width.

With an average width of 8 feet and traced over a length of 600 feet, No. 3 vein appears to be the strongest of the veins so far uncovered. It lies almost wholly within a local lens of schisted greywacke. Quartzite is found beyond the greywacke on both sides. The country rock consists of Temiskaming sediments, quartzite and schisted greywacke, all of which are gradational members of the same series. The mineralization in the vein matter is chiefly arsenopyrite with pyrrhotite, chalcopyrite, pyrite and galena, having generally a fine crystalization. The gold values seem to be associated with these sulphides, although the quartz probably carries small amounts.

The immediate plan is to cut No. 3 vein at a number of points at depth with the diamond drill, and this work is now in progress.

LAVAL WILL WORK REX COPPER GROUPS

LAVAL.—Quebec Mines have undertaken to work the properties owned by the Rex Copper Mines, 600 acres situated in Desmeloizes Township, near La Reine Station, and about 600 acres in Duparquet Township, both in N.W. Quebec.

For the time being operations are being concentrated on the Desmeloizes property where strong mineralization is traceable on the surface.

This property has been favorably reported by engineers and geologists. Mineralization is traceable on the surface for a length of several thousand feet carrying considerable pyrite, pyrrhotite and traces of chalcopyrite. Few feet from the surface, by work already done, solid sulphides are found and analysis of the ore has shown values in copper.

Along with trenching, diamond drilling is part of the programme submitted by the engineers and a contract for diamond drilling is already being arranged for.

The property is well provided with camps and 15 to 20 men will be at work immediately. A good road, about five miles, is available from La Reine Station to the property.

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GOLD HILL MINE DRIFTING TO EAST ON 1100-FT. LEVEL

Mine Official Issues Statement on Progress of Work

From Our Own Correspondent

HAILEYBURY. — Gold Hill has advanced its drifting operations 60 feet to the east and an equal distance to the west on the 1,100 foot level. The vein is reported to show an average width of four feet. A consistent grade of $10 ore has been opened up in the east drift, and while values have been obtained in the west drift they have not been sufficiently sustained to make ore.

The following statement as to present operations has been issued by an official of the company:

"Underground operations at Gold Hill Mines, Limited, are at present being concentrated on lateral work at the 1,100 foot level. The vein which where encountered about 25 feet north of the shaft is being opened up, and most of the drift east from the crosscut has been in commercial ore. This vein lies against a syenite dyke to the north, and it has been found that the widths are much better than they were on the Number 1 vein at the 800 foot level in the corresponding location. An important feature has been that in the drift east the values have been much more consistent and uniform than they were on the vein on the upper levels.

"A crosscut has been started south from the east end of the present drift to intersect an important vein which lies about 40 feet south. It is expected that this vein, where encountered, will be in contact with a large body of syenite lying south of the vein. This vein will also be opened up and important developments are expected from both veins."

La Reine Is Active In Several Fields

AMOS.—La Reine Mines has acquired the Sparks claims, a group of 300 acres in Bourlemarque Township, and will carry out an extensive diamond drilling programme, some 5,000 feet, on the property this winter. Camps have been built, and over $10,000 worth of supplies were taken in before the freeze-up, Hector Authier, M.P., president of the company, informs The Financial Post.

The property is considered a promising prospect, the previous owners having spent $3,000 in development work. This consisted of opening up outcrops of quartz and tourmaline in which free gold showings were found. This mineralization is reported to have been traced for a distance of 3,000 feet.

La Reine Mines was organized in the fall of 1927 to develop a prospect four miles southwest of the Rbana in Demeloizes Township. Over 4,000 feet of diamond drilling was done on this ground, in addition to considerable surface exploration. This work disclosed a mineralized zone carrying values in lead, zinc and copper, but the ore was lean and operations have been suspended until the spring.

The company in the meantime has acquired several other properties in addition to the Sparks group. It has 10 claims adjoining the O'Brien-Cadillac on the north and the Thompson-Cadillac on the east, on which surface work is being carried out.

The company also has a crew of men engaged in similar work on a group of 15 claims lying west of the Sladen-Malartic and Malartic properties.

It has also acquired a 25 per cent. interest in the Molybdenite Reduction Co., and is negotiating for the Clarke-Reed property.

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GOOD SURFACE WORK ON KIRKLAND G. B.

Large Break Opened Up and Some Good Values Obtained

By Staff Editor

HAILEYBURY. — Surface operations carried out on the Kirkland Gold Belt property are reported to have met with entirely satisfactory results. This work was undertaken by the company last August after N. A. Timmins, Inc., dropped the option granted it in January.

Surface trenching and blasting of surface oxidization to expose the break, is reported to have opened it up for a continuous distance of 300 feet, and intermittently for another 300 feet.

An engineer who examined the property is of the opinion that everything will hinge on this break which runs parallel to a large porphyry dyke and at no point is further than 20 feet from it. The break is in contact with the dyke in places, and it is at these points that best values have been obtained. In sections the break is said to carry good values over stoping width. It strikes northeast across the property and has been traced to a point 500 feet from the northeast boundary where it dips into low ground.

Surface work has been in charge of Victor Jordan, who has had a gang of 15 men employed. K. B. Heisey, has recently been appointed consulting engineer. Mr. Heisey has made a careful study of the development and submitted a report setting out his recommendations for further development to the directors. It is understood his report is a favorable one.

Kirkland Gold Belt is capitalized at 3,000,000 shares of $1 par value. It is stated Wood-Kirkland holds 1,000,000. 500,000 are in the hands of the public and 1,500,000 remain in the treasury.

WORK ON CRYDERMAN

Underground development on Cryderman property in Central Manitoba is to be resumed. Mining Corporation of Canada spent considerable exploring this group.

Unlisted Mining Stocks
BOUGHT—SOLD—QUOTED
The following prices are subject to confirmation:

	Bid	Asked
Anglo Sudbury	..	1.25
Astoria Rouyn	.07	.10
Bobjo	.35	.39
Brett-Trethewey	.35	.37
Canadian Kirkland	.05	.07
Harker Gold	..	.17
Manitoba Basin	.48	.53
McMillan Gold	1.25	1.45
Old Colony	.45	.50
Ore Chimney	.09½	.11
Wood Kirkland	.19	.22

Other stocks quoted on application.
PHONE—WIRE—WRITE
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45 RICHMOND W., TORONTO 2
WAverley 2711-2-3 Cable Jayfranc

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NEW COMPANY ENTER CROSS LAKE SECTION

Smith Cobalt Company Holds 500 Acres — Part Adjoins O'Brien

HAILEYBURY.—The possibilities of that section of the Cobalt silver area lying north of Cross Lake in Coleman Township are to be tried out by the recently incorporated Smith Cobalt Mines Ltd. This company holds 500 acres of silver claims. One block of 220 acres adjoins the O'Brien Mine's Cross Lake property on the east, a section of the ground bordering on the shores of Cross Lake itself. The other 280 acre block is located in Block 15, Gillies Limit, six miles south of the town of Cobalt.

The geology of the Cross Lake property is said to be favorable, and similar to that in which the rich silver deposits were found in the early days of the Cobalt camp, consisting of diabase underlaid by the conglomerates and keewatins.

W. H. Smith, president of the new company, informs The Financial Post that four veins have been uncovered in surface exploration. One vein, he states, shows six inches of calcite and three inches of cobalt bloom, and has been traced for a distance of 1,000 feet. The three others, he says, are good looking calcite veins.

This property was under option to Mining Corporation a couple of years ago and the optioners carried out considerable diamond drilling and sank a shaft to a depth of 400 feet on the western end of the group. The new owners are of the opinion that the most favorable ground lies 2,000 feet to the east of this operation, and propose carrying out surface work in this section next spring.

The highly successful results reported to have been secured by the adjoining O'Brien Mine should prove a source of much encouragement to the new operators.

Smith Cobalt Mine is capitalized at $4,000,000 shares of $1 par value. 1,800,000 shares were issued for the property, the securing of the charter and the patenting of the claims; 2,200,000 shares remain in the treasury to finance development.

The officers of the company are all Cobalt men. They are:

President, W. H. Smith.
Vice-president, Dr. E. F. Armstrong.
Secretary-treasurer, A. K. Roberts.
Directors: James Murray and Larry Stadelman.

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TASHOTA FINDS SURFACE VALUES CARRY TO 200 FT.

Good Results are Secured In Opening Up Veins at Depth

Development on the 200-ft. level of Tashota Gold Mines has corroborated the good values which were secured on surface. This information is given shareholders in a progress report sent out by Pres. H. H. Vaughan. He includes a brief report by J. C. Ross, the company's consulting engineer which shows that the property is opening up in quite a satisfactory manner, Mr. Vaughan says, that samples from the north vein at the 100 foot level, taken where the vein was drifted on for a length of about forty feet, have given an average value of gold of $11.35 per ton with small values of silver and copper but, on account of its being decided to carry on the work to the 200 foot level, this vein has not been further explored.

At the 200 foot level the north vein has not yet been picked up and has, apparently, been dragfolded toward the east. In crosscutting south at this level, a vein was encountered which had only shown as a narrow shear zone on the surface. At the 200 foot level this vein formation was 13 feet in width and carried commercial values for 5 feet on the hanging wall side. This vein has been drifted on 10 feet east and 33 feet west of the crosscut and samples show an average value for 5 feet to 6 feet in width of $15.20 per ton gold.

The continuation of the crosscut to the south ore body has been carried on to the porphyry dyke, which appears to be almost vertical—dipping about 85 degrees north and raking at about the same angle to the west. The south vein west of the porphyry was picked up but the drifting on this has not progressed sufficiently far to develop commercial values. Toward the east the drifting is being carried through the porphyry but at this writing has not been carried forward a sufficient distance to arrive at the point where the vein is located.

Reports of the resident engineer along with his sampling, were sent to Mr. Ross. He summarizes the situation as follows:

"From a study of reports made by, and assay reports of samples taken by, the Engineers of Tashota Gold Mines, Ltd., I find that development work on the 100 and 200-foot levels has corroborated the surface showings, and has improved on these in opening up a third vein which had not been tested on the surface.

"The character of the ore differs only in the disappearance of weathering at the 100-foot level. The nature of the veins is shown more clearly in underground work. The outstanding characteristics, and these are normal to gold bearing veins of the type under development, are:

(1) "Occurrence of gold in quartz veins in association with feldspar dykes. Values are usually to be expected at a distance from the immediate vicinity of the intrusive porphyry.

(2) "Values occur both on surface and at depth in ore shoots, with lower values in intervening portions of the veins.

(3) "Values are concentrated in a portion of the vein adjoining the hanging wall.

(4) "Assays of samples from No. 3 vein on the 200-foot level show a commercial ore body across a workable width of from 5 ft. 6 ins. to 6 feet.

"The showings, both on surface and underground, as reported warrant, in my opinion, further development.

"The values in surface showings having been confirmed in underground work, the probabilities of opening up further ore bodies, especially under known circumstances such as in test pits Nos. 1, 22, 2 and 5 on the south vein are improved.

"Based on the result of development work to date, I regard progress as distinctly encouraging, and would expect that further development will be even more so."

CHIBOUGAMAU HAS CO-OPERATIVE PLAN

Executives of Companies in Area Meet to Better Conditions

From Our Own Correspondent

MONTREAL.—An entirely new departure in the development of mining districts is evidenced by an inaugural luncheon, held here this week, of the principal executives of corporations holding something more than 25,000 acres of mining claims in the Chibougamau mining district.

This luncheon, held at the Canada Club, with a view to cementing the present friendly relations and, as was pointed out, with a view to avoiding the bitterness which has to a greater or lesser extent accompanied the development of new camps the world over, and to eliminate in so far as possible the looser element, has resulted in the establishment of a spirit of entente cordiale heretofore unequalled among men groping for minerals in advance of any degree of settlement.

Among the points discussed at the luncheon were the elimination of the blind pig; the establishment of police protection; a uniform and lower tariff for air service to the camp from Oskelaneo for men, supplies and equipment; the new winter road from Lac Verreau; to be followed if possible by a motor road in 1930, a government assay and recording office at Lake Dore; radio communication; the early surveying of all principal properties, and completion of the Quebec and Chibougamau Railway from Lake St. John.

Companies Represented

The advisability of continuing the policy of reticence as to the indisputably successful results of the season's work and more particularly of the impending diamond drilling by several of the companies interested, which has been occasioned by the private or semi-private character of the companies or syndicates operating, was discussed, particularly with a view to bringing about a more thorough public understanding of the economic value of the new railway, not only in the development of agriculture, dairying, animal husbandry, timber and water power resources of the areas through which it will pass, but of the Chibougamau district and its mineral resources.

The principal officers and a number of directors of the Chibougamau McKenzie Mining Corporation, the Obalski Chibougamau Mining Co., the Chibougamau-Dore Mines Corporation, Chibougamau Prospectors, Ltd., Quebec Chibougamau Power & Mining Co., Lake Chibougamau Mining Syndicate, Ltd., and others were present.

Winter Work at Morton Woolsey

Aggressive development work for the winter months is planned for the Morton Woolsey property according to reports received from the mine at Silver Creek, Albert Canyon. Already 125 tons of supplies have been hauled into the mine.

Mining Stock Quotations

Week Ending November 27

	Par Val	Div. Rate	Yield	High for wk.	Low for wk.	Close	Sales for wk.	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low
Abana	$1	....	....	3.95	3.20	3.60	231914	4.90	.20	4.80	1.75
Aconda	1	....	....	.16	.12	.13½	95900	.45	.14½	.47	.10
Afton	1	....	....	....	....	....	....	1.36	1.00	2.12½	1.25
Aladdin	.	....	....	....	....	....	....	....	....	1.56	1.20
Albain M.	1	....	....	....	....	....	....	....	....	1.05	.20
Algonquin	1	....	....	.01¼	.01¼	.01¼	15000	.05½	.02	.03	.01
Amity C.	1	....	....	.27	.25½	.26	28750	.50	.24½	.55½	.24
Amulet	1	....	....	3.50	2.80	3.15	198269	7.10	.85	5.45	.50
Apex	1	....	....	.02	.02	.02	1100	.10	.01	.03	.02
Area	1	....	....	.16	.15	.15½	14000	1.98	.23	.48	.14
Argo. Con.	1	....	....	.03	.01¼	.02¼	17000	.59	.25	.34	.01¼
Arno	1	....	....	.20	.16	.20	19900	....	....	.39½	.15
Atlas	1	....	....	.02	.01½	.02	7000	.07	.02	.04¾	.01
Ankerite	1	....	....	.20	.20	.20	100	1.25	1.15	1.23	.20
Bayview	25c.	....	....	.04	.03¾	.03¾	23750	....	....	.09¾	.03¾
Bagamac	1	....	....	....	....	....	....	.19	.08	.17	.05
Baldwin	1	....	....	.01½	.01½	.01½	15500	.05½	.01	.03½	.01½
Barry Holl.	1	....	....	.34¼	.25	.32	147150	1.50	.25	1.50	.25
Bathurst	None	....	....	.40	.36	.36½	123527	.35	.30	.42	.16
Beaver	1	....	....	.80	.64	.79	42000	2.75	.59½	2.25	.60
Bedford	1	....	....	.39¼	.38	.39	25725	.52	.19	.54	.32
Bellellen L.	1	....	....	....	....	....	....	.23½	.03	.03½	.01½
Bidgood	1	....	....	.39	.35	.36	34100	1.83	.05	1.60	.32
Big Horn	.	....	....	....	....	....	....	....	....	.44	.15
Big Missouri	1	....	....	.62	.57½	.62	76350	....	....	.90	.40
Boischatel	None	....	....	.02	.01½	.01⅞	17000	.27	.03	.05	.01½
Bower M.	1	....	....	....	....	....	....	....	....	1.25	.75
Buckingham	1	....	....	.08½	.06½	.07	120800	.09½	.03	.10	.04½
Bunker Hill Ext.	None	....	....	.12	.11	.11	8800	....	....	.35	.07¼
B.C. Pioneer	.	....	....	....	....	....	....	....	....	2.00	1.75
Cambro	1	....	....	.20	.20	.20	500	.58	.55	.59	.17
Can. Lorraine	1	....	....	.07½	.07½	.07½	750	.12	.10	.21	.03
Capitol S.	1	....	....	.09	.07	.07	3100	.34	.14	.18½	.07
Capitol R.	1	....	....	.13	.10	.11	372100	.54½	.10	.26½	.09
Cartier Mal.	1	....	....	.15	.12	.12	14400	....	....	.30	.12
Castle Tre.	1	....	....	.38	.35	.35	8900	1.27	.61	.81½	.34
Cen. Man.	1	....	....	.80½	.72	.76	29235	2.30	1.07	1.95	.72
Chaput H.	1	....	....	.13	.07	.11	28275	.20	.04½	.18	.05½
Clericy	None	....	....	.23	.19	.19	24695	.31½	.31	.36	.07
Clifton	1	....	....	.00½	.00½	.00½	500	.03½	.00½	.02	.00½
Coast Copper	5	....	....	66.00	48.00	61.50	22278	43.25	9.75	66.00	28.00
Col. Kirk	1	....	....	.02	.01¼	.01½	52800	.16	.01½	.09½	.01¼
Cons. Copper	.	....	....	....	....	....	....	....	....	.14½	.10
Coniagas	5	....	....	2.85	2.85	2.85	65	5.05	3.20	5.50	2.50
Coniaurum	5	....	....	1.60	1.60	1.60	100	5.78	2.80	5.50	1.60
Cons. Smelter	25	10+40	3.20	400	315	390	44402	274½	215	400	239
Copper Hill	1	....	....	....	....	....	....	.68	.36	.46	.44
Cork Prov.	25c.	....	....	.25	.25	.25	60100	....	....	.47	.25
Corona	1	....	....	.04½	.03	.03½	13300	.37	.10	.16	.03
Crown Res.	1	....	....	.41	.35	.35	35166	.80	.39	.70	.34
Davidson	1	....	....	....	....	....	....	.08	.01	.03	.00¼
Dunkin	1	....	....	.23	.19	.21½	16000	....	....	.55	.19
Destor	1	....	....	....	....	....	....	.43	.20	.28	.20
Dome Mines	None	$1	11.69	9.00	8.25	8.55	4820	14.60	6.85	13.35	7.65
Dom. Kirk.	1	....	....	.01	.01	.01	4500	.12½	.01½	.06½	.01
Don. Rouyn	1	....	....	.14	.12	.13	22725	.56½	.17½	.30	.10
Dubec	1	....	....	....	....	....	....	1.48	.35	.72	.40
Duprat	1	....	....	.04	.03	.03½	11300	.21	.19¾	.12½	.03
Dupuy	1	....	....	....	....	....	....	.79½	.09	.10¼	.10
Dunwell	1	....	....	....	....	....	....	....	....	.35	.20
Duthie	1	....	....	....	....	....	....	....	....	1.40	1.00
Everett	1	....	....	....	....	....	....	.05½	.01¼	.33	.01
Falconbridge	.	....	....	5.10	4.50	5.10	20959	....	....	5.30	4.50
Federal Kirk	1	....	....	.07½	.06½	.06½	1200	.78	.40	.77	.06
Fiske	1	....	....	....	....	....	....	.30½	.05	.10	.03
George Cop.	1	....	....	5.00	4.25	5.00	2390	....	....	6.75	2.50
Golconda	1	....	....	.79	.76	.78	32900	....	....	1.13	.66
Goldale	1	....	....	.16	.15½	.16	6400	.57½	.20	.44	.15
Gold Hill	1	....	....	.08½	.07	.08	51700	.54	.22	.38½	.07
Gold Reef	1	....	....	.02	.01½	.01½	38000	.02½	.01½	.03	.01
Goodfish	1	....	....	.28	.23	.23	79900	....	....	.78	.23
Graham Bos.	1	....	....	.32	.23	.24	89200	....	....	.45	.18
Grandview	5 c.	....	....	.59½	.55	.55½	82850	....	....	.87	.30
Granada	1	....	....	.21½	.18	.19	65150	.41	.14½	.35½	.16½
Grover Daley	1	....	....	.04	.03	.03	14000	.37	.08	.15	.03
Harker	1	....	....	.17	.15	....	....	....	....	.43	.15
Harvie Exp. (A)	None	....	....	....	....	....	....	2.40	.50	....	....
Hillcrest, c.	100	6	9.23	....	....	....	....	65.00	50.00	68.00	65.00
Hillcrest, p.	100	7	8.23	....	....	....	....	90.00	81.00	90.00	85.00
Hilltop	1	....	....	.05½	.04	.04	34600	.25	.06½	.23½	.04
Hollinger	5	13	7.87	8.65	8.15	8.25	9423	22.65	16.40	18.10	7.00
Howey Gold	1	....	....	1.06	.97	.97	85350	1.78	.42	1.91	.61
Hudson	None	....	....	21.75	19.35	21.00	102169	....	....	23.25	16.40
Indian	1	....	....	....	....	....	....	.12	.04	.15	.04½
Int. Nickel.	25	$3	1.33	225.00	187.50	225.00	119197	90.25	38.00	225.00	73.75
Int. Nickel, new n.p.			....	38.50	33.00	38.50	246900	....	....	38.50	31.25
Jackson M.	1	....	....	.25½	.20¼	.24	130315	.86	.36	1.02	.17
Keeley	1	....	....	.40	.38	.40	1800	1.66	.69	.85	.37½
Keora M.	1	....	....	....	....	....	....	.13½	.02	.05	.00½
Kirk. Hunt.	1	....	....	.05½	.05	.05	15100	.35½	.10	.26	.03
Kirk. Lake.	1	....	....	1.50	1.06	1.42	147505	3.06	.82	2.75	1.05
Kirk. Prem.	1	....	....	....	....	....	....	....	....	.40	.10
Koot. Flor.	20c.	....	....	.22	.18	.18	105900	.31	.21	.47	.15
Koot. King	.	....	....	.32	.29	.29	78600	....	....	.67	.29
L. Kamiskotia	.	....	....	1.10	1.08	1.10	1100	....	....	1.10	.87
La Rose	1	....	....	....	....	....	....	.12	.03	.08⅜	.03
Lake Shore.	1	80c.	5.49	19.00	18.00	18.20	12845	28.20	15.40	27.20	18.00
Lebel Ore.	1	....	....	.16	.15	.15	5100	.66	.30	.59	.14
Laval	1	....	....	.11½	.06	.10	61350	.59	.19½	.38	.06
Lorrain C.	1	....	....	....	....	....	....	.03¼	.01	.03	.00½
Lorrain T.L.	1	....	....	....	....	....	....	.86	.52	.70	.30
Lucky Jim	10c.	....	....	.31	.24	.24	23250	....	....	.44	.23
McLeod R.	1	....	....	....	....	....	....	....	....	.35½	.34½
Mandy	1	....	....	1.50	1.27	1.36	25075	....	....	3.50	1.25
Macassa	1	....	....	.20	.19	.19½	28900	.69	.18	.55½	.16
Malartic	1	....	....	1.19	.80	.81	709151	.78	.23	1.85	.70
Malrobic	.	....	....	.29	.29	.29	230	....	....	.37½	.29
Marriott	1	....	....	....	....	....	....	.45	.35	.46	.04
McDougall.	1	....	....	.40	.35	.39½	36800	.90	.24	.74¼	.31
McKinley Sec.	1	....	....	.18	.16	.18	2500	.25½	.11	.21	.15
McIntyre	5	20	4.54	22.95	20.00	22.00	4495	29.00	24.00	29.00	18.80
Mentor	10	....	....	....	....	....	....	14.00	12.00	13.00	12.50
Millcrest	1	....	....	.02¼	.02	.02¼	9800	.15	.02	.12	.02
Mining Corp.	5	....	....	4.10	3.40	3.80	59430	5.02	2.90	5.50	2.92
Moneta	1	....	....	....	....	....	....	.15½	.08¾	.12	.07
Montreal R.	1	....	....	....	....	....	....	.35	.10	.16	.04¾
Mint Ore	1	....	....	.18	.15	.16	3500	....	....	.44	.15
Mond Nickel	L1	(B)7½	....	37.00	31.75	37.00	20743	....	....	46.50	20.00
Moss	1	....	....	.80	.45	.70	11120	....	....	.95	.25
Murphy	1	....	....	.74	.72	.72	43350	....	....	.83	.28
Moffatt Hall	1	....	....	.12	.11	.12	20000	....	....	.35½	.10
Morton Wolsey		....	....	.06⅞	.06	.06	59200	....	....	.09	.05¾
Nat. Silver.	50c.	....	....	....	....	....	....	....	....	.20½	.17½
Newbec	1	....	....	.28	.24½	.27	101475	1.20	.62½	.69	.24½
Night Hawk	1	....	....	.06	.06	.06	6000	.10½	.04½	.10	.05
Nipissing	5	6	10.00	3.00	2.85	3.00	22172	10.30	5.25	6.20	2.50
Noble Five.	.	....	....	.53	.45	.50	470400	....	....	.53	.45
Noranda	None	....	....	71.00	54.75	64.00	609787	25.80	19.95	71.00	17.00
Notre Dame	1	....	....	....	....	....	....	....	....	.82	.50
Ophir	1	....	....	.01	.01	.01	5500	.04⅜	.00¾	.03	.01
Osisko	.	....	....	.40	.36	.37	4000	....	....	.75	.35
Picard	1	....	....	.02½	.01½	.02	713400	....	....	.77	.00¾
Pawnee Kirk	1	....	....	.12	.05	.06	289440	.78	.64	.80	.05
Pend Ore	1	....	....	10.25	9.18	9.70	13465	....	....	25.50	8.00
Pend, pref.	.	....	....	....	....	....	....	....	....	1.40	.60
P. L. Cobalt	1	....	....	.27	.23	.27	8966	18.00	.02	.30	.06
Porc. Crown	1	....	....	....	....	....	....	.11	.03	.03	.01
Pioneer	1	....	....	.39	.35	.35	20305	1.18	.45	.68	.30
Pioneer Gold	1	....	....	1.93	1.90	1.90	500	....	....	1.96	1.50
Potter Doal	None	....	....	.02¾	.02	.02½	65800	.65	.10½	.22	.02
Premier Gold	1	24c.	10.66	2.30	2.22	2.25	7070	2.50	1.86	3.50	2.15
Preston	1	....	....	.01¾	.01¾	.01¾	500	.07	.03	.05	.01½
Porter Idaho	50c.	....	....	.63	.60	.61	4350	....	....	.88	.48
Reeves McDonald		....	....	1.25	1.25	1.25	23300	....	....	1.25	1.25
Ridgedome.	1	....	....	....	....	....	....	....	....	1.25	1.03
Ribago	1	....	....	.07	.05	.06	25300	.87	.13	.25	.04
Rouyn G.	1	....	....	....	....	....	....	.04½	.02½	.03½	.01½
Rouyn,Que.	1	....	....	....	....	....	....	.04	.01⅛	.02	.01½
Rubec	1	....	....	....	....	....	....	3.65	.80	.80	.04
Realty & M.	None	....	....	....	....	....	....	.38	.15	.54¾	.08
R. Montbray	.	....	....	.06	.05	.06	1000	....	....	.32	.05
Ruth Hope.	1	....	....	.59	.58	.58½	28450	....	....	.71	.44
Rouyn Kenn.	1	....	....	....	....	....	....	....	....	2.00	1.10
Rufus Argenta	1	....	....	.22	.19	.20	26300	....	....	.37	.14
Simard	1	....	....	....	....	....	....	....	....	11.50	8.00
Silversmith.	20c.	....	....	....	....	....	....	....	....	.23	.12
Slocan King	20c	....	....	....	....	....	....	....	....	.11	.08
Slocan Rambler		....	....	....	....	....	....	....	....	.20	.16
Selkirk	.	....	....	....	....	....	....	....	....	.03½	.02⅞
San Antonio	None	....	....	.25½	.20	.22½	43850	.57	.30	.57½	.18
Siscoe	1	....	....	.69	.62	.64	32050	.60	.12	.90½	.15
Snowflake	50c.	....	....	.35¼	.28	.28	50550	....	....	1.35	.25
Stadacona	None	....	....	.11	.09¾	.10	77225	.55	.13	.21½	.08
St. Anthony	1	....	....	.49	.46	.47	4000	.50	.16	.75	.32
Sudbury M.	1	....	....	....	....	....	....	....	....	.33½	.01½
Sylvanite	1	....	....	2.30	2.10	2.16	8795	4.80	2.60	3.90	2.00
Sherritt G.	1	....	....	6.95	6.60	6.80	102145	....	....	8.40	5.45
Sud. Basin	None	....	....	8.75	7.10	8.00	114004	....	....	12.00	5.15
Sud. Contact	1	....	....	.09	.07	.07¾	14500	....	....	.50	.07
Sunloch.	1	....	....	2.25	2.00	2.25	600	....	....	6.50	1.95
Tashota	.	....	....	.20	.15	.20	3500	....	....	.37	.15
Thom. Cad'c.	1	....	....	.25	.23	.25	17705	....	....	1.06	.22
Topley	50c.	....	....	.50	.45	.48½	72333	....	....	.65	.44
Teck Hughes	1	60c.	7.22	8.75	8.15	8.30	46573	12.00	5.37	11.60	7.55
Telluride.	1	....	....	....	....	....	....	.38	.35	.58	.20
Tough Oakes	1	....	....	.10	.08	.09¼	85250	.82	.25	.79	.07
Towagmac	1	....	....	3.25	2.77	3.05	22707	5.75	2.85	4.75	2.25
Timiskaming	1	....	....	....	....	....	....	.12	.04	.10¼	.05
Treadwell Y.	1	....	....	12.50	12.25	12.50	1135	26.75	18.50	32.00	9.75
Thom. Krist	1	....	....	....	....	....	....	.02	.00½	.01½	.01
United Kirk	1	....	....	....	....	....	....	....	....	.20	.10
Vaughan	1	....	....	....	....	....	....	....	....	1.77	1.15
Vickers	1	....	....	.75	.70	.75	1050	1.52	.25	1.25	.60
Vipond	1	....	....	.64	.56	.62	46125	1.74	.47	.99	.42
Wakenda	1	....	....	....	....	....	....	.16	.01	.15½	.06
West D. Lake	1	....	....	.08	.07½	.08	23500	.20	.08	.17½	.07½
Wiltsey C.	1	....	....	.32	.30	.30	7000	.74	.50	.56	.24
Wright Har.	None	10c.	5.00	2.10	1.90	2.00	92760	8.45	5.50	6.80	1.90
Windfall R.	None	....	....	.04½	.02½	.04	51600	.31	.19¾	.25	.02¼
Whitewater	1	....	....	1.30	1.25	1.25	11600	....	....	2.85	1.25
Woodbine	None	....	....	.08	.05	.05	81400	....	....	.46	.05

CALGARY OIL STOCKS

	Par Val	Div. Rate	Yield	High for wk.	Low for wk.	Close	Sales for wk.	Range 1927 High	Range 1927 Low	Range 1928 High	Range 1928 Low
Acme	.	....	....	....	....	....	....	....	....	.30	.17
Advance	1	....	....	.52½	.47	.47	4920	....	....	.95	.25
Alta. Pac.	1	....	....	.52	.48	.48	8063	....	....	.81	.30
Black Dia.	.	....	....	....	....	....	....	....	....	.35	.12
Brit. Dom.	1	....	....	.50	.46	.46	4307	....	....	.75	.25
Calmont Es.	.	....	....	.79	.70	.75	599	....	....	1.00	.72½
Calmont	1	....	....	1.00	.75	1.00	1315	....	....	2.10	.45
Cal. Pet. P	.	....	....	....	....	....	....	....	....	5.50	4.25
Cherokee	.	....	....	....	....	....	....	....	....	.07	.05
Dalhousie	None	....	....	1.97½	1.50	1.85	16825	....	....	4.25	1.50
Dallas	.	....	....	....	....	....	....	....	....	.30	.10
Devenish	None	....	....	.32½	.28	.28	5810	....	....	.75	.25
Great West	1	....	....	....	....	....	....	....	....	.34	.10
Highland	..	....	....	.25	.25	.25	615	....	....	.25	.25
Ill. Alta	1	....	....	.68	.55	.60	18900	....	....	.77½	.45
Madison	.	....	....	.14½	.12	.12	1100	....	....	.20	.07
Mayland	.	....	....	....	....	....	....	....	....	1.75	1.06
McD.S.Ex.	1	....	....	2.55	2.25	2.25	4501	....	....	3.00	1.40
McD.S.(new)	1	....	....	1.50	1.35	1.37½	4985	....	....	1.80	1.00
McLeod	1	....	....	6.90	5.85	5.90	18322	....	....	7.10	2.97
Mid West	1	....	....	.30	.15	.15	385	....	....	.60	.15
Mill City	1	....	....	.40	.39	.40	1500	....	....	.55	.27
Moose M'tn	1	....	....	....	....	....	....	....	....	.30	.25
N.W. Pacific	.	....	....	....	....	....	....	....	....	.09	.09
Okalta, c.	None	....	....	300.00	237.50	240.00	140	....	....	400.00	20.00
Okalta, p.	100	....	....	360.00	275.00	305.00	212	....	....	450.00	66.00
Ranchmen's	1	....	....	.45	.45	.45	100	....	....	.80	.30
Regent	.	....	....	.80	.70	.70	5795	....	....	.90	.30
Royalite	None	....	....	72.00	65.00	68.00	1126	....	....	84.00	45.00
Signal Hill	1	....	....	.15	.14	.14½	12250	....	....	.30	.06
Spooner	1	....	....	1.47½	1.35	1.40	7160	....	....	3.10	1.10
Stockmen	1	....	....	....	....	....	....	....	....	.60	.32
Turner Valley	1	....	....	.45	.35	.45	5014	....	....	.70	.30
United	1	....	....	2.00	1.80	2.00	8246	....	....	2.65	1.19
Vulcan	1	....	....	2.60	2.17½	2.17½	5162	....	....	3.00	1.50

(A) In liquidation.
(B) Interim

Wiltsey-Coghlan Acquires Tronem

Wiltsey-Coghlan Mines has announced that an agreement has been negotiated with Tronem Mines, whereby the former is to take over the properties of the latter, subject to ratification of stockholders. The claims involved consist of three groups: (a) 241.45 acres adjoining Waite-Montgomery, (b) 888.32 acres north of Robb-Montbray, in Montbray Township; (c) 374.20 acres in Boischatel Township. In addition, Wiltsey-Coghlan holds 931.74 acres to the east of Noranda and 150 acres adjoining Sudbury Basin. The company has already put down a number of shallow drill holes at its property to the east of Osisko Lake and has decided that deep work will be necessary. To that end arrangements are being made for a deep drilling campaign this winter.

Mining Inquiries

Deceased Mines

Please inform me if there is any value to the following stocks which I have had for some years: Silver Bar Mining Co., Bailey Cobalt Mines, Larder Lake International Mines and Diamond Vale Iron and Coal Mines of British Columbia.

As far as we can learn the four companies have passed out, Bailey Cobalt being the last to go.

Noranda

I would like to have your opinion on Noranda. Would you recommend me buying at the present price?

Noranda looks attractive as a long hold. Outlook is that there will not be any good news out for a time and the shares may ease back somewhat. The company is sinking a new shaft and it is not likely that any increase will be made in production until that job is completed.

Rouyn-Kennecott

Todd Larkin Ltd., of Montreal, are strongly recommending the purchase of shares in the Rouyn Kennecott Mines. Will you be kind enough to furnish us with your opinion as to the possibilities of immediate appreciation in price of the above shares?

We are sorry to say that we cannot second any recommendation made by Tod Larkin. These shares are regarded as a gamble — pure and simple.

Nickel Merger

Can you inform me as to the actual condition of the Frood-Mond mine? Is it big enough to have a long life? Have you data to show precious metal content: gold, silver and copper?

People here are selling good bonds and buying Nickel; is the buying at the top? I do not suppose that you can persuade them to hold their bonds but I would like to know if Frood-Mond is as great a mine as public opinion holds it to be.

If you will peruse the Mining Section of our issue of November 16, you will find the fullest possible details in a series of articles on Mond, The Frood Mine and the Nickel Merger.

Best opinion is that the rise in Nickel shares has not exhausted the profit possibilities. Earnings to-day are moving up rapidly while profits from the Frood will not start until 1930.

Wright-Hargreaves

I am to-day sending in subscription to The Financial Post and would appreciate your opinion on Wright-Hargreaves. I hold this at a considerably higher price than the present market and the information coming down from the mine is not very encouraging. I have been advised to sell Wright-Hargreaves and buy Noranda, providing that I can get it at $51 or $52. Do you think this switch advisable?

We hate to see you sacrifice your Wright-Hargreaves shares, as we feel certain that ultimately this venture will work back, at the same time the advice to you to get into Noranda is very sound. There will continue to be that little doubt about Wright-Hargreaves and this will prevent its becoming a popular leader in the mining list. There is no doubt about Noranda. It is popular, and its best days are ahead. It is just a question of buying and hanging on. You should get it at the price you mention, if not lower.

Hollinger

I hold 50 shares of Hollinger which cost me $18.50 per share. Since the reduction in Hollinger dividend I have been considering selling this stock and reinvesting the funds in some other mining or industrial stock. One of the stocks that I have considered is International Nickel and another is Massey-Harris, common. Will you kindly give me your advice with reference to this matter? Any suggestions or comments will be very much appreciated.

We hesitate to suggest that you should take a 50 per cent. loss on your Hollinger as our understanding is that conditions at the property are improving and ultimately, it is expected, Hollinger will work back into its old position of leadership.

On the other hand, switching into International Nickel, would undoubtedly assure your getting back your Hollinger loss, if you held it with patience. It seems generally agreed that International Nickel will sell higher. The Massey-Harris situation is not so clear as you will see from the article in our issue of November 16, page 1.

Cold Lake

A few days ago I had a gentleman call upon me regarding Cold Lake shares. He claimed to be the representative of an Ottawa firm from whom I had purchased 1,000 shares at 40c. at the time the issue was first offered. He had a form with him for signing and on this form were two places, one to waive all rights of purchasing further shares at 50c. and the other for signing in case one cared to purchase more at that price. No one was to be allowed to purchase more than 1,000 shares. This offer, he stated, was to the original shareholders only and they were given this opportunity first; the balance of the offering was then to be sold to American interests at 80c. and the stock listed in the near future.

I declined to sign as I preferred to look into the matter and get at the reason for this offer from other sources. Very little has been said about the Cold Lake success or failure and I would like your candid opinion on the present condition and also what you see in an offer such as the above, to a shareholder.

We are inclined to believe that the tempting offer which the salesman of Cold Lake stock held out to you was just his method of trying to make sure of a sale of stock at fifty cents a share. The writer was talking to Mr. McGillivray of Mowat & McGillivray, the other day, and he said so far that they hadn't encountered anything, but they were meeting with fair success, however, and were diamond-drilling quite close to the Ook claim. An authority who is an old operator tells me that they have not met with any success to date.

Several Mines

A customer of mine in Germany has holdings in ten Canadian mines, and on practically all of these is showing a profit. He wants to hold his stocks for not less than a year and I would be very glad if you would write him and give as much information as you can regarding the list of holdings named below.

If you advise him to sell some of his holdings you might be able to suggest others into which he can place his money. The stocks are listed in order of their importance, his holdings being largest in those stocks which appear at the top of the list: Consolidated Smelters, Hudson Bay Mining, Noranda, International Nickel, Hollinger, Lake Shore, Teck-Hughes, Wright-Hargreaves, Nipissing and Robb-Montbray.

We do not think there is anything to worry about in the first seven stocks which you listed, namely, Consolidated Smelters, Hudson Bay Mining, Noranda, International Nickel, Hollinger, Lake Shore and Teck Hughes.

Wright Hargreaves is rather peculiar. The stock broke first when millheads failed to stand up to the point where the company could make a profit and maintain its dividends. Since then the company opened some better grade ore at depths, and earnings have been better. Whether or not they will continue it is difficult to tell. The company has a very large tonnage of low-grade and with a small steady tonnage of high-grade ore would be able to maintain a very profitable average in its ores.

Nipissing, as you know, is going backwards. Its Cobalt property is about through, and its South Lorrain property which it has spent considerable money on doesn't seem to be any too attractive. If the company gets out of that and pays expenses we believe it will do well. The Robb-Montbray is a proposition sponsored by Nipissing, and we would judge that the fact that Nipissing took all of its money out and decided to sit with a block of stock that cost it nothing in short is an evidence they haven't any too much faith in the property. About the only conclusive fact about this Quebec operation so far is that it has been decided that it is primarily a gold venture instead of a gold-copper as was expected.

Undoubtedly you have noticed in the recent papers that International Nickel and Mond Nickel are being amalgamated. This presents a very happy picture to the holders of the stock in either of those companies.

Foothills Gets Crude

Foothills Oil & Gas, a subsidiary of Imperial Oil, drilling in the south end of Turner Valley oil field, south of Calgary, Alberta, encountered a flow of light crude oil. Unfortunately the well took fire shortly after it entered production and burned the derrick. Until the fire is extinguished, the well's possibilities will not be known. It is interesting to note that the first naphtha producer of the field, Royalite 4, also caught fire when it came in. It took nearly two weeks to smother that fire because of the tremendous gas pressure. Finally, when forcing live steam into the well failed, a huge steam boiler, with an open end, was strung well above the burning well on cables and gradually lowered. When it reached the point where the fire was completely covered, the boiler was pushed aside and the gas poured up on the outside. The success of this affair was due to the fact that because of the great pressure, the gas drove quite a number of feet in the air before igniting. It is not yet known what gas pressure the Foothills Company will have to contend with at its well.

WILL DRILL FROM ICE

Cold Lake Mines has suspended diamond drilling on its claims adjoining the Oak claim of Sherritt-Gordon, until the freeze-up. The most favorable ground for deep drilling is largely under the lake and it is the intention to drill from the ice.

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ASTORIA
Surface work is energetically proceeding on Astoria Rouyn's three groups in this district. Work at present consists of prospecting, trenching and test pitting.
The above item is copied from a publication called "News from the Mines," dated November 16th, 1928.
A full report of the season's operations is now being prepared by the Company's Engineer and as soon as it is completed and printed, a copy will be sent to every shareholder of record.
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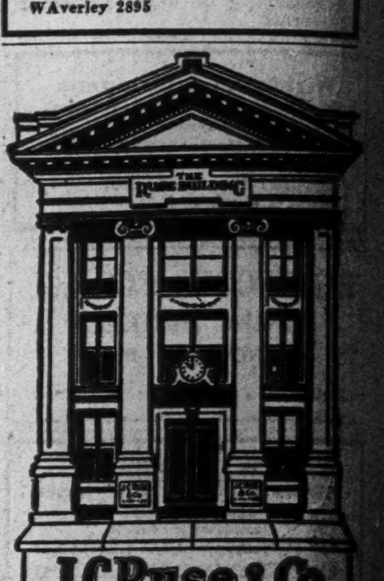

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